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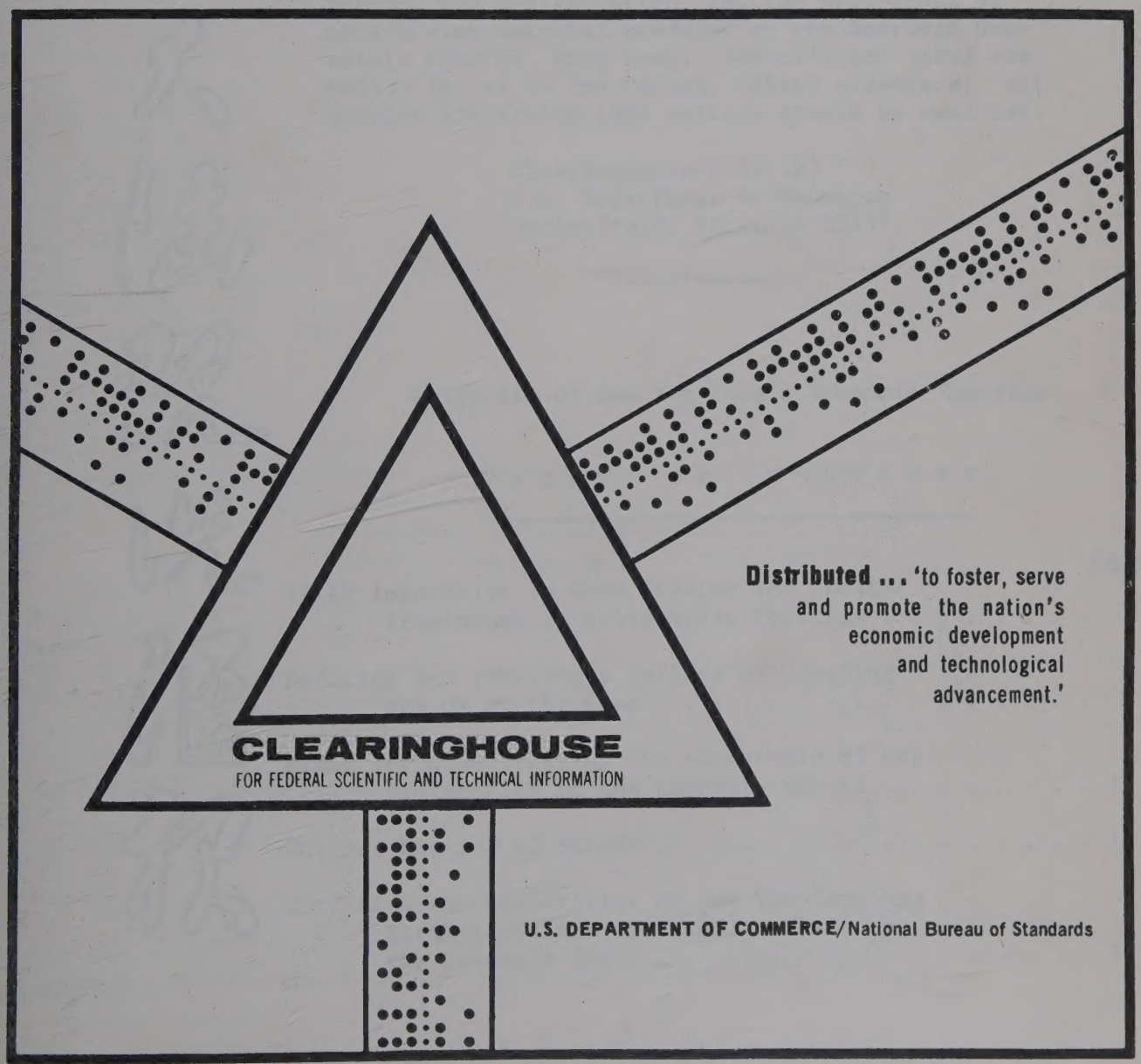
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Criticism of Sun Yeh-fang's Economic Theories

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It Is Imperative To Give Greater and Greater Prominence to Proletarian Politics

- Criticizing and repudiating Sun Yeh-fang's (孙冶方) reactionary fallacy, "political work in the service of production"

by

the Mass Criticism Unit of Tach'ing Oilfield workers

(Peking Kuang-ming Jih-pao, February 1, 1970)

The Tach'ing Oilfield is a modernized socialist enterprise of a new type built by the working class of China with the spirit of revolution plus defiance of death under the guiding light of the general line and in accordance with Chairman Mao's guideline of "self-reliance and hard struggle" and "taking one's own road of industrial development." The successful completion of the Tach'ing Oilfield has removed from China the label of backwardness in petroleum industry, smashed the plot of US imperialism and Soviet revisionism to take us by the throat by means of petroleum, and blazed a brilliant trail in operating enterprises with Mao Tsetung thought for the development of industry in China. Our great leader Chairman Mao has affirmed the experience of the Tach'ing Oilfield in construction by issuing to the whole country the great call, "In industry learn from Tach'ing," thus giving great inspiration to the people of the whole country and striking a heavy blow at a handful of class enemies.

The handful of capitalist roaders within the Party headed by renegade, hidden traitor and scab Liu Shao-ch'i mortally feared and bitterly hated Mao Tsetung thought, and they devised all ways and means to disparage and tamper with the construction experience of Tach'ing that had been affirmed by Chairman Mao himself.

It was under such circumstances that Sun Yeh-fang, a pawn of the Liu Shao-ch'i bourgeois headquarters, was instructed by his sinister master to sneak into Tach'ing to spread poison. He maliciously attacked and tampered with the construction experience of Tach'ing, in a vain attempt to lead Tach'ing astray toward capitalist restoration. We workers of Tach'ing absolutely cannot tolerate the towering crimes of Sun Yeh-fang in opposing Mao Tsetung thought and tampering with Tach'ing's construction experience. We must firmly hit back and wipe out all pernicious influence spread by him in Tach'ing and all over the country.

What Medicine Is Peddled Behind the Back of "Politics in the Service of Production"?

The Tach'ing Oilfield owes its growth to maturity directly to the nursing of Mao Tsetung thought, and every victory won in the building of the Tach'ing Oilfield is a victory for Mao Tsetung thought.

Ten years ago, under the conditions that US imperialism and Soviet revisionism had us by the throat and extraordinary natural disasters were encountered at home, it was entirely due to their reliance on invincible Mao Tsetung thought that the broad masses of revolutionary workers, revolutionary cadres and revolutionary intellectuals of our Tach'ing were able to overcome one difficulty after another and capture the Tach'ing Oilfield.

In the whole process of building this oilfield, we at all times persisted in learning from the People's Liberation Army, brought proletarian politics to the fore, energetically grasped the class struggle, put the living study and application of Mao Tsetung thought and the successful ideological revolutionization of man at the head of all work, and put Mao Tsetung thought in command of fighting and politics in command of the whole process of production. The workers made revolution with "On Practice" and "On Contradiction" and the "three constantly-read articles" in their hands, and conquered the wasteland with the sun that was in their hearts. For the sake of removing the label of backwardness from China's petroleum industry and of smashing the plots of imperialism, revisionism and reaction, they moved forward in defiance of difficulties, braved the headwind, regarded the drilling machine as their weapon and the oilfield as the battlefield, feared neither hardship nor death, and battled against nature, the wilderness and the class enemies at home and abroad. "They move forward when there are conditions for them to do so, and when conditions are not available, they also move forward by creating such conditions." In the end, spirit was translated into matter and the wilderness was transformed into the oilfield. Under the command of Mao Tsetung thought, we won a great victory in the Battle of Tach'ing.

From the struggle we have come to understand that we are invincible in battle under the command of Mao Tsetung thought, that every well drilled under the command of Mao Tsetung thought will be successful, good in quality and high in yield, and that every enterprise run with Mao Tsetung thought will be a great school of Mao Tsetung thought. Mao Tsetung thought is our soul in the construction of the Tach'ing Oilfield.

However, counterrevolutionary Sun Yeh-fang who flaunted the banner of "learning from Tach'ing" but carried out activities to "oppose Tach'ing" made a noise saying that the experience gained in the construction of Tach'ing was that "politics must be carried out around and through production" and that "political work must serve production." He even used bad and foul language to disparage political work saying: "Political work is for the purpose of cleaning the buttocks for production." Phew! What Sun Yeh-fang said is complete nonsense! It is a malicious attack against the experience in the construction of the Tach'ing Oilfield that Chairman Mao had affirmed himself! Sun Yeh-fang's "theory of politics in the service of production" sings entirely one and the same tune of the old and new revisionists' "economics is more important than politics" and "production occupies the most important place"; it must be thoroughly criticized and repudiated.

Should politics be put in command of production or should "politics serve production"? This represents two fundamentally opposed lines in the building of enterprises, a question of first importance bearing on what road our enterprises should take and which class should exercise leadership.

The great leader Chairman Mao teaches us: Politics is the commander and the soul. "Political work is the life-blood of all economic work." The relationship between politics and vocational skill, politics and economics, politics and production, politics and technique is forever one between the commander and the subordinate that can never be stood on its head. This is a basic principle of Marxism, Leninism and Mao Tsetung thought.

Counterrevolutionary Sun Yeh-fang devised all ways and means to stand the relationship between politics and production on its head because he wanted to liquidate the commanding role of proletarian politics over production and to use bourgeois politics to engineer capitalist restoration in enterprises. By saying that "politics must be carried out around and through production," he meant that our proletarian politics must revolve around capitalist production. By saying that "political work must serve production," he meant that our proletarian political work must be transformed into bourgeois political work to serve the restoration of capitalism. Isn't it clear as daylight what medicine Sun Yeh-fang was peddling behind the back of his argument that "politics must be carried out around and through production" and that "politics must serve production"?

We workers of Tach'ing are boundlessly loyal to Chairman Mao, Mao Tsetung thought and Chairman Mao's proletarian revolutionary line. We firmly carry out Chairman Mao's great guideline of "grasping revolution and promoting production and other work and preparedness against war," take the illustrious road indicated in his "May 7 instruction," run enterprises with Mao Tsetung thought, criticize and repudiate the bourgeoisie and certainly must carry the struggle between the two lines through to the end in the economic sphere. Short of a complete victory, we will never recall our troops!

What Is the Key Question of Revolutionization?

"Unless a good job is done in the accomplishment of the production task, all political work comes to nought." "The center of revolutionization for Tach'ing is to extract petroleum." This was a poisoned arrow shot at the Tach'ing Oil in his so-called "report on learning from Tach'ing" to oppose the running of enterprises with Mao Tsetung thought. In point of fact, his reactionary theme that "good in production means good in politics" was basically nothing new, but a replica of the bourgeois over-simple military viewpoint of "one good in military affairs is naturally good in politics" which our great leader Chairman Mao had criticized and repudiated more than forty years ago.

How should the results of political work be looked upon? What yardstick should be used to measure the role of the political force? This is also an important question of the struggle between Chairman Mao's

proletarian revolutionary line and Liu Shao-ch'i's counterrevolutionary revisionist line, a question of the struggle between two kinds of ideology, two kinds of world outlook. All bourgeois thinkers and politicians see things but not human beings, and they always regard material results as criteria for measuring all things. We of the proletariat follow a diametrically opposite course. We see not merely the material results, and it is even more important for us to see the spiritual results and regard them as essential things in the first place.

Good in production is not tantamount to good in politics. A good job done in political work can promote production, but political work is not merely for safeguarding production. It has a more important task, namely, to realize the leadership of politics over production and to insure that the leadership over enterprises is forever in the hands of the proletariat and that enterprises will forever be developed successfully along Chairman Mao's revolutionary line. This is the most fundamental objective and task of political work.

By saying that "unless a good job is done in the accomplishment of the production task, all political work comes to nought," Sun Yeh-fang meant to take good in production as the first or sole criterion for good in politics. By saying that "the center of revolutionization for Tach'ing is to extract petroleum," he meant to take the "extraction of petroleum" as the first or sole criterion of revolutionization for Tach'ing. This is obviously extremely preposterous. If, as Sun Yeh-fang claimed, the "success of production" and the "extraction of petroleum" meant the "success of political work" and "revolutionization," then could it be said that the capitalist petroleum tycoons of the United States, who regarded the American workers as slaves and forced the latter to extract oil for them, were also "quite good" in "politics" and "revolutionization" because a sizable quantity of petroleum was extracted at a given period? Sun Yeh-fang said this purely for the purpose of hoodwinking people, uglifying and vilifying our working class and viciously attacking the Tach'ing oilfield! We absolutely cannot tolerate it!

Chairman Mao points out: "Everybody should be on guard against those people who have no faith in but feign compliance with bringing politics to the fore while disseminating another set of eclecticism (i.e., opportunism)." Sun Yeh-fang was such a bad fellow who disseminated everywhere such eclecticism as "good in production" meant "good in politics" and "extraction of petroleum" meant "revolutionization" to hoodwink people, and we can never be fooled by him. He talked about "making a success of production" and "extracting petroleum," but was he truly concerned with production and the development of the petroleum industry in China? No! By taking good in production as the sole criterion for good in politics and "extracting petroleum" as the sole criterion for revolutionization, he wanted us to hammer away at production and petroleum without paying attention to other things, including the proletarian dictatorship and socialism.

It is either the dictatorship of the proletariat or the dictatorship of the bourgeoisie, either socialism or capitalism. It must be one of the two and there is no third road. By disseminating such eclectic fallacies, Sun Yeh-fang aimed at leading our socialist construction toward the road of restoring capitalism. This was Sun Yeh-fang's secret criminal objective.

From the inception of the oilfield, the broad masses of revolutionary workers, revolutionary cadres and revolutionary engineers and technicians of our Tach'ing Oilfield have always regarded the living study and application of Mao Tsetung thought and the ideological revolutionization of man as the task of first importance in the construction of the oilfield. Our political work is not simply for guaranteeing the success of production; it is first of all for the success of the ideological revolutionization of man. Our revolutionization seeks to guarantee not simply the "extraction of petroleum," but first of all the fostering of battalions of men for the petroleum industry who read Chairman Mao's books, heed what Chairman Mao says, do things according to Chairman Mao's instructions and are boundlessly loyal to Chairman Mao, Mao Tsetung thought and Chairman Mao's proletarian revolutionary line. These battalions are capable of defending the proletarian regime and Chairman Mao's proletarian revolutionary line with sharp minds and eyes, put up a hard struggle, and rely on their own efforts to build socialism. In time of war, they are capable of fighting heroically and staunchly, fearing neither hardship nor death and defeating US imperialist and Soviet revisionist invasion. This is the key question of revolutionization.

Political Work May Not Be Turned into the Satellite of Production

Chairman Mao teaches us: "The diehards always have a set of plans for their own benefit at the expense of others and for disguising themselves as double-dealers." Sun Yeh-fang was such a counterrevolutionary double-dealer who was good at disguising himself. After uttering a lot of reactionary fallacies about "production first," he quickly changed his tune and talked about the need to "integrate" politics with production. He said: "We should closely integrate political work with production (vocational skill) and emphasize politics in command and the "four firsts" on the one hand. On the other hand, we also should emphasize that political work must serve production and be carried out around and through production and that everybody must establish the idea of production."

Here Sun Yeh-fang talked about "politics in command," the "four firsts," and the "need to closely integrate politics with production." Did he truly want to "put politics in command," to persist in the "four firsts" and to promote "integration"? No. Absolutely not. Sun Yeh-fang spuriously talked about "integration" but actually preached "eclecticism." He spuriously talked about the "four firsts" but actually preached the "four seconds." By talking about "integration" and "in command," he wanted to turn political work into the satellite of production that "serves production" and "moves around production," and to "establish the idea of production." What kind of "integration" or "in command" is this? People cannot

help from asking: Why was it that when Sun Yeh-fang talked about "integration," he only talked about the "idea of production" but not the "idea of political power," only about "political work in the service of production" but not about "serving the consolidation of the proletarian dictatorship"? How could this be called "integration"? In this connection, Sun Yeh-fang could not hide his true identity any longer. Actually, by talking about "integration," he wanted "people to establish the idea of production" and "extract petroleum." It was said that this could yield big "profit" and "make money." This was something Sun Yeh-fang could never forget. This "integration" of his essentially called for "integrating" our proletarian politics with the bourgeois management method, our socialism with capitalism and our workers with the capitalists. By talking about "in command," he wanted to put our socialist train onto the capitalist track and our workers into the capitalists' factories thus making draft animals of them once again and causing them to suffer a second time. How vicious were the aggressive designs of that wolf Sun Yeh-fang!

Chairman Mao says: "As to the unity of politics and economics and the unity of politics and technique, there is no question in this connection. It is so every year and will forever be so." In the past ten years, the broad revolutionary masses of our Tach'ing Oilfield consistently followed Chairman Mao's teachings, firmly adhered to the general orientation of socialism and ran their enterprise with Mao Tsetung thought. They dared to fiercely grasp the revolution and energetically promote production, closely integrated the whole revolutionary situation with the successful performance of their own work, and ceaselessly won new victories in the revolution and in production. We worked in the oilfield, kept the fatherland in mind, adhered to our posts, and set our eyes on the world. During the great proletarian cultural revolution, we energetically launched the mass movement for the living study and application of Mao Tsetung thought, set up everywhere battlefields for practicing revolutionary mass criticism, stuck by our production posts day and night, heroically carried out the revolution, made our production ever more flourishing, and fulfilled the targets set in the Third Five-Year Plan of the state two years ahead of schedule.

Nourished by the sunshine, rain and dew of Mao Tsetung thought and baptized in the battle of the great proletarian cultural revolution, the whole look of the Tach'ing Oilfield underwent enormous changes. Advanced collectives and individuals that made living study and application of Mao Tsetung thought quickly grew to maturity like dandelions in a spring lawn. There were oilfield construction workers who laid down their lives in order to protect their comrades-in-arms. There were well-drilling workers who worked with greater determination and refused to leave the drilling platform although they were seriously wounded. There was a member of the revolutionary committee who defied danger a number of times and was injured when driving a cart drawn by a startled horse. There were young Red Guard fighters who risked their own lives to save children. There were the oil workers of the older generation who braved hard and bitter struggles for decades. There were the new people of the younger generation who were

full of vitality and vigor and were as lively as dragons and tigers. Could it be said that the emergence of all these new people and new deeds was the outcome of the "establishment of the idea of production"?

Like the bats who never dare to face the sun, the scabs fear most the invincible Mao Tsetung thought. Let Sun Yeh-fang open his eyes to see Tach'ing of today and cock his ears to listen to the footsteps of us Tach'ing workers marching forward. History that knows no mercy has sentenced you handful of mischief-doers to death! Let your set of reactionary bourgeois fallacies go with your sinister master Liu Shao-ch'i to see the devil. The great red banner of Mao Tsetung thought must be held higher and still higher, and greater and greater prominence must be given to proletarian politics! We Tach'ing workers will advance in triumph forever along the brilliant navigation route charted by Chairman Mao's proletarian revolutionary line.

* * *

Refuting Sun Yeh Fang's Fallacy of "Leading the Ox By the Nose"

by

Wen Hsiang-tung (文向东)
of the 313 Plant, Tsitsihar municipality

(Peking Kuang-ming Jih-pao, Feb. 1, 1970)

The great leader Chairman Mao taught us: "Political work is the life-blood of all economic work." He also exhorted us meaningfully: "If the socialist economy were not built in our country, what would things be like?" "The proletarian dictatorship would be transformed into bourgeois dictatorship, even reactionary fascist dictatorship." We certainly must follow Chairman Mao's teachings, persist in putting proletarian politics in command, make a success of the socialist economy and consolidate the proletarian dictatorship.

For the sake of restoring capitalism, Sun Yeh-fang, the loyal lackey of renegade, hidden traitor and scab Liu Shao-ch'i, followed the lead of his sinister master and opposed the proletarian dictatorship by vociferously disseminating "profit in command" and other counterrevolutionary revisionist fallacies. He advertized: "Profit is the most important comprehensive index for the investigation of an enterprise. Controlling profit is like leading an ox by the nose." He also advertized: "To encourage the better run enterprises, we may consider alloting them as bonus a certain percentage of the part of the profit in excess of the average level in society." To peddle revisionist contrabands, Sun Yeh Fang not only wrote stinking and lengthy sinister "articles" but also ran around to raise a hue and cry, and was rampant in the extreme. The aggressive designs of that wolf were to disintegrate the economic foundation of socialism in a vain attempt to transform the proletarian dictatorship into bourgeois dictatorship and to restore capitalism in toto.

Renegade, hidden traitor and scab Liu Shao-ch'i and his loyal lackey Sun Yeh-fang once came to our plant to peddle frenziedly their counterrevolutionary revisionist contrabands, and the capitalist roaders of our plant regarded Liu Shao-ch'i and Sun Yeh-fang's contrabands as "divine." In accordance with Sun Yeh-fang's principle of "profit in command," that is, the fallacy of "leading the ox by the nose," those capitalist roaders put forward the sinister index of high margin of "profit." For the sake of "profit," they also adopted Liu Shao-ch'i and Sun Yeh-fang's sinister measures for "controlling the economy with economic methods" to "improve" business management by introducing "material incentive" and awarding more bonuses on a large scale for the purpose of corrupting the working masses and undermining the unity of the workers. As a result, production was seriously undermined.

The capitalist roaders of our plant carried out Liu Shao-ch'i and Sun Yeh-fang's sinister views of "putting profit in command" and "controlling the economy with economic methods." Although this led to the emergence of

serious and bad results, yet Sun Yeh-fang said that such "well-run enterprises" must be "rewarded." It can be seen that Sun Yeh-fang's reactionary call for "struggle for greater profit" was for the purposes of disintegrating the economic base of socialism and subverting the proletarian dictatorship. If we led "the ox by the nose" according to Sun Yeh-fang's fallacy, socialist enterprises would inevitably be "led" astray toward restoring capitalism.

"All revolutionary struggles in the world are aimed at seizing political power and consolidating it." During the great proletarian cultural revolution that knew no precedent in history, the proletarian revolutionaries of our plant seized power from a handful of capitalist roaders. Powerfully backed by the PLA Mao Tsetung thought propaganda team stationed at the plant, they conscientiously studied Chairman Mao's works and came to know that socialist enterprises owned by the whole people are important positions for the proletariat to overcome the bourgeoisie. Such enterprises must be controlled by revolutionized people with a heart bent on public interests, and they must firmly implement and carry out the "Anshan Steel Constitution" formulated by Chairman Mao himself and take the road of bringing proletarian politics to the fore. They must put revolutionization in command of mechanization and develop production in a planned manner, proportionately and at a high speed.

We persist in grasping energetically the living study and application of Mao Tsetung thought, the class struggle and the ideological revolutionization of man. We persist in "grasping the revolution and promoting production and other work and preparedness against war." We destroy revisionism and establish Mao Tsetung thought on a large scale. "Resplendent ideological and political flowers necessarily bear an abundance of economic fruits." Although the material conditions of our plant are mainly similar to those of the past, yet because we have conscientiously carried out work in accordance with Chairman Mao's proletarian revolutionary line and brought proletarian politics to the fore, there has been an enormous change in the spiritual look of men, and a great leap forward has been registered.

In the past, the capitalist roaders offered high prizes for key parts, and money was paid upon their completion, but the workers were not happy. Now, we propagate Mao Tsetung thought, explain the situation and the significance of the job and assign tasks to the workers. With the sun that is in their hearts and with a mind bent on serving Chairman Mao, the workers carry out the revolution and their revolutionary zeal is inexhaustible. In the past, the capitalist roaders undermined other fraternal plants for the sake of "profit"; now, for the sake of building socialism and aiding the revolutionary struggle of the world people, we go all out and work in cooperation with our fraternal factories.

There was a fraternal plant which needed our plant to forge a giant axle for it, and in the agreement we were given a long time to complete the job. Because the workers of our plant had the whole situation in mind, after completing the forging job, they readily agreed when the fraternal

plant asked them to carry out rough processing and heat treatment, and fulfilled the task ahead of schedule. Recently, our plant completed a key product for the state, and because proletarian politics was brought to the fore and the positive factors of men were aroused, the volume of work planned for two and a half months was finished in fourteen days.

Politics is the commander and the soul. Greater, faster, better and more economical results in socialist construction can be achieved only by bringing proletarian politics to the fore and firmly implementing Chairman Mao's proletarian revolutionary line. Mao Tsetung thought is the spiritual atomic bomb with unsurpassed power, and doing things according to Mao Tsetung thought means victory. Conversely, if the sinister view of "putting profit in command" of Liu Shao-ch'i, Sun Yeh-fang and others were complied with, there would be a danger for the Party and the nation to fall.

* * *

Fight for Consolidating the Leadership of the Proletariat in the Economic Sphere

- Smashing Sun Yeh-fang's fallacy of "enterprise autonomy"

by

the Revolutionary Mass Criticism Unit of
Liaoning College of Finance and Economics

(Peking Kuang-ming Jih-pao, February 8, 1970)

The socialist enterprises owned by the whole people are the principal positions of the socialist economy. The class struggle in the economic sphere is very acute and complex in the enterprises owned by the whole people.

Backed by renegade, hidden traitor and scab Liu Shao-ch'i, and acting in accordance with the contrabands peddled by Liu Shao-ch'i, namely, "the Party and government of the center and the local Party and government organizations" should "rise above" the enterprises and the latter should be given greater "power of autonomy," counterrevolutionary Sun Yeh-fang concocted a set of fallacies for so-called "enterprise autonomy," and schemed to turn socialist enterprises into capitalist enterprises, thus paving the way for them to restore capitalism in China.

Sun Yeh-fang's "Theory of Dividing Line Between Immeasurable Power and Minor Power" Aims at Abolishing the Immeasurable Power of Proletarian Dictatorship

Liu Shao-ch'i and his running dog Sun Yeh-fang were extremely hostile to the role of the economy led and organized by the state under the dictatorship of the proletariat, and they arbitrarily leveled many charges against it. Liu Shao-ch'i vilified the planned economy of our socialist state as "mechanical and stereotyped," and Sun Yeh-fang talked nonsense saying that it "fetters enterprises hand and foot" and "greatly restricts technical progress and the development of productive forces." In the eyes of Liu Shao-ch'i and his running dog Sun Yeh-fang, nothing could be worse than the economy led and organized by the state under the dictatorship of the proletariat. For the sake of obliterating at one stroke the role of the economy led and organized by the state under the dictatorship of the proletariat, in his fallacy of so-called "enterprise autonomy," Sun Yeh-fang racked his brain to fabricate a dividing line between "immeasurable power" and "minor power" in the management system, namely, "things within the sphere of extended re-production come under the 'immeasurable power' of the state, while things within the sphere of simple re-production come under the 'minor power' that should be exercised by the enterprises themselves."

At the time of discussing the "minor power" he fabricated, Sun Yeh-fang also said: "Any production carried out within the original capital setup that does not call for additional investment from the state is regarded as simple re-production." He said that "work in this sphere is entrusted by the state to the enterprises," that the enterprises should be allowed "to handle independently all economic affairs," and that "they can each put its magic power at work like the eight immortals crossing the sea, and the 'state' cannot interfere with them." This meant to say that all powers of the economy led and organized by the state under the leadership of the proletariat should be handed over to the enterprises, that the enterprises might carry out whatever work in whatever way according to their wish, and that the state could not interfere with them.

What Sun Yeh-fang called the "immeasurable power" of the state was almost equal to no power because according to him, such "immeasurable power" was first to collect profit from the enterprise and second, to sink a part of the profit collected from the enterprises as new investment for building new enterprises or enlarging the original ones. However, once the new enterprises built or existing enterprises enlarged with new investment from the state were completed and commissioned for production, according to the "theory of minor power" fabricated by Sun Yeh-fang, such enterprises would come under the category for "simple re-production" like the original capital investment, and everything would be under the control of the "minor power" of the enterprises.

In this way, the power of the state under the dictatorship of the proletariat to lead and organize the economy would come to nought and was actually completely abolished, and every enterprise would become an "independent kingdom" each minding its own affairs.

Why Was Sun Yeh-fang So Vicious As To Curse the Leading Role of the State under the Dictatorship of the Proletariat?

Why was it that Sun Yeh-fang opposed with such frenzy the role of the economy led and organized by the state under the dictatorship of the proletariat? It was clearly due to his desire to restore the capitalist system of ownership, while the role of the economy led and organized by the state under the dictatorship of the proletariat made it impossible for him to realize his criminal plot.

At the time of discussing that the superstructure of China and the economic base of socialism are adaptable to and contradictory with each other, our great leader Chairman Mao profoundly pointed out: "This superstructure plays the positive role of an impetus toward the victory of the socialist transformation of China and the establishment of the socialist labor organization." If there were no such superstructure as the state under the dictatorship of the proletariat, the socialist economy could not be established. If such superstructure as the state under the dictatorship of the proletariat were departed from, then after the establishment of the socialist economy, there would be a danger for it to be undermined and to disintegrate.

Marxism points out: The socialist economy cannot be brought into being within the old society based on the system of private ownership, and the proletariat must "employ its own political rule to seize step by step all the capital owned by the bourgeoisie, concentrate all means of production in the hands of the state, in other words, in the hands of the proletariat that has been organized as the ruling class, and do everything possible to increase at a faster rate the aggregate productive forces."

At the Second Plenum of the 7th CCP Central Committee, the great leader Chairman Mao creatively employed the basic principles of Marxism in the revolutionary practice of China, and formulated himself the proletarian policy concerning the confiscation of the capital of the imperialists and their lackeys and of the Chinese bureaucrat-bourgeoisie. Chairman Mao pointed out: "The confiscation of this bureaucrat-capital and its transfer to the people's republic led by the proletariat will enable the people's republic to control the economic lifelines of the country and will enable the state-owned economy to become the leading sector of the entire national economy." The socialist economy of China has been established by relying on the strong power of the state under the dictatorship of the proletariat and confiscating the capital of the imperialists and their lackeys and of the Chinese bureaucrat-bourgeoisie.

The socialist economy is basically different from the capitalist economy because first, the system of private ownership of means of production has been abolished, and second, the proletariat state is organizing large-scale production within the confines of the country by distributing labor power to enterprises in different sectors of the economy and distributing large quantities of consumer goods belonging to the state to the laborers. The abolition of the system of private ownership of means of production and the establishment of the system of public ownership of means of production, and the exercise of centralized unified leadership over the socialist economy by the state under the dictatorship of the proletariat are the two most fundamental things of the socialist economy. Anyone who negates these two things or only falsely acknowledges one of them while negating the other is basically negating the socialist economy.

The positive role of the state under the dictatorship of the proletariat is the fundamental guarantee of victory in the socialist transformation of China. We are relying on such a powerful state machinery as the proletarian dictatorship to accelerate the realization of the socialist transformation of the system of ownership of means of production.

After the basic completion of the socialist transformation of the system of ownership of means of production, Chairman Mao summed up the experience of the international communist movement as well as the experience of China's socialist revolution, and wisely put forward the theory that after the basic completion of the socialist transformation of the system of ownership of means of production, there are still classes and class struggle and the proletariat must continue with the revolution. Led by Chairman Mao, our state machinery of proletarian dictatorship launched a series of socialist revolution movements, and smashed the various plots of the bourgeois

headquarters headed by renegade, hidden traitor and scab Liu Shao-ch'i against the general line, the great leap forward and the people's commune. It smashed a complete set of counterrevolutionary revisionist lines pushed by them--comprador-foreign slave philosophy, doctrine of trailing behind at a snail's pace, "production first," "material incentive," "profit in command," "control of factories by experts"--thus guaranteeing the development of China's socialist economy along the royal road of socialism.

During the great proletarian cultural revolution, Chairman Mao led hundreds of millions of armymen and civilians in the whole country to destroy the bourgeois headquarters headed by renegade, hidden traitor and scab Liu Shao-ch'i, thus further consolidating the proletarian dictatorship and guaranteeing that the state under the dictatorship of the proletariat was able to play a more positive role as the driving force in leading and organizing the socialist economy.

The course of growth to maturity of the socialist economy of China in the past twenty years has forcefully shown that the role played by the state under the dictatorship of the proletariat in leading and organizing the economy is the fundamental guarantee for the establishment, consolidation and development of the socialist economy. Every victory on the economic front has been won because of the positive role played by the state under the dictatorship of the proletariat.

Sun Yeh-fang and his like maliciously cursed the role played by the state under the dictatorship of the proletariat in leading and organizing the socialist economy. They also schemed to limit this role to stretching out a hand to the enterprises for profit like the corrupt parasitic class. Wasn't their intention as good as bared?

What this gang of renegades to the proletariat attacked is precisely the most fundamental thing of Marxism, the important weapon for the socialist economy to overcome the capitalist economy and to consolidate and develop ceaselessly its own position. They were so frenzied their opposition to the leadership of the state under the dictatorship of the proletariat over the socialist economy because the proletariat had utilized its own political rule to carry out the struggle for the successful transformation of the capitalist economy and the development of the socialist economy, thus offending the interests of the exploiting classes represented by Sun Yeh-fang and his like, because the positive role of the state under the dictatorship of the proletariat had basically shattered the counterrevolutionary pipe-dream of Sun Yeh-fang and his like who conspired to transform the socialist economy into the capitalist economy.

Sun Yeh-fang and his like said that the leading role of the state under the dictatorship of the proletariat "fetters the enterprises hand and foot." What has actually been fettered "hand and foot"? It is precisely our desire to rely on the strong power of the state under the dictatorship of the proletariat to "fetter" "hand and foot" the bourgeoisie that wants to undermine the socialist economy and develop the capitalist influence." It absolutely will not do for us not to "fetter" it.

Sun Yeh-fang and his like declared that the state under the dictatorship of the proletariat "greatly restricts technical progress and the development of productive forces." Like the mad dogs barking at the sun, the more they barked, the more it showed the ability of the state under the dictatorship of the proletariat in playing the role of giving impetus to the rapid development of productive forces. Under the wise leadership of the Party committee headed by Chairman Mao and with Vice Chairman Lin as the deputy leader, the scene of prosperity has emerged on China's production front. Technical innovations have come into being one after another and large numbers of new techniques, new products and new technology have gushed forth. We have designed and manufactured ourselves the 125,000-kilowatt turbo-generating set with inner water-cooled stator and rotor and the Nanking Yangtze River Bridge. China has successfully exploded hydrogen bombs .....All this centrally marks new leap in industrial production, science and technology. Our speed of development is seldom seen in the world. Let Liu Shao-ch'i, Sun Yeh-fang and company weep in a corner in front of these iron-clad facts.

Sun Yeh-fang's "Theory of Enterprise Autonomy" Is a Counterrevolutionary Tactic for Restoring Capitalism

The great leader Chairman Mao pointed out that in the struggle against the representatives of all exploiting classes, we "must study their tactics so as to beat them." Although Liu Shao-ch'i, Sun Yeh-fang and other representatives of the bourgeoisie have been washed into the dustbin of history by the onflow of the great proletarian cultural revolution, yet the study of their counterrevolutionary tactics for restoring capitalism in the economic sphere is still quite essential to the further consolidation and development of the socialist economy.

After the basic completion of socialist transformation in the aspect of ownership of means of production, the bourgeoisie lost its ownership right in enterprises. However, the class enemies would never take their defeat lying down, and they always made a death-bed struggle in a vain attempt to win back their lost "paradise." In the economic sphere, one of their important tactics for engineering counterrevolutionary restoration was to make every effort to oppose the centralized leadership exercised by the state under the dictatorship of the proletariat over the enterprises, and foster the spontaneous influence of capitalism so as to allow the bourgeois idea and style of doing business to spread. They vainly attempted to transform our socialist economy into an economy dominated by the economic laws of capitalism so that the socialist enterprises owned by the whole people might actually degenerate to become capitalist enterprises.

This counterrevolutionary tactic was cast forth by renegade, hidden traitor and scab Liu Shao-ch'i. Liu Shao-ch'i inherited the mantle of the Soviet revisionist renegade clique and formulated a counterrevolutionary line and tactics for transforming China's socialist enterprises into capitalist enterprises. He desperately attacked the leading

role of the state under the dictatorship of the proletariat in enterprises saying: "This is an extra-economic method," "a feudal method," etc. He frenziedly advertized: "The bourgeoisie has several hundred years of experience in the management of enterprises." "The experience of the enterprises managed by capitalism and especially of the monopoly enterprises must be studied." Liu Shao-ch'i was so outrageous as to scheme to put the socialist enterprises onto the capitalist track.

Sun Yeh-fang's "enterprise autonomy" was concocted according to Liu Shao-ch'i's counterrevolutionary tactics entirely for the need of the latter to restore capitalism in China. Consequently, once it was released, it was immediately applauded and supported by Liu Shao-ch'i and his agents in the economic sector.

"Historical experience merits attention." From the Soviet revisionist renegade clique's negative experience in transforming socialist enterprises owned by the whole people into capitalist enterprises, we can see through the aggressive designs of those wolves--Sun Yeh-fang and company.

The Soviet revisionist renegade clique has carried out their so-called "new system" of industrial management. In the name of enlarging the freedom of enterprises, they have abolished a series of important indices formerly laid down according to plan by the state for enterprises. Taking the pursuit of profit as the basic motive force of enterprise production, they give enterprises the freedom of competition in the market. The privileged strata of the bourgeoisie actually become the masters of enterprises and are free to exploit and persecute the working class of the Soviet Union, and the socialist system of ownership by the whole people has degenerated to become the bourgeois system of ownership by privileged classes.

At home and abroad, from the past to the present, the basic facts of twenty years tell us that the enemies of the proletariat have adopted the same counterrevolutionary tactics to undermine the socialist system of ownership by the whole people. We must bear in mind these historical experiences and learn useful lessons from these teachers by negative example.

In all activities of the socialist enterprises, we must consciously submit to the unified leadership of the state under the dictatorship of the proletariat. The leadership of the state under the dictatorship of the proletariat is carried out by the Communist Party and is guided by invincible Mao Tsetung thought. Basically speaking, all economic policies laid down, all unified economic plans mapped out and all decisions and provisions made reflect the objective laws governing the development of socialist society and the basic interests of the proletariat and the laboring people. Every socialist enterprise must closely rally around the Party Central Committee headed by Chairman Mao and with Vice Chairman Lin as the deputy leader, put Mao Tsetung thought in command of all its activities, and achieve unified thinking, policies, plans command and actions. Only in this way can we further consolidate and develop the socialist system of ownership and further develop the socialist productive forces.

We must especially guard against the class enemies using all kinds of pretexts to provoke and undermine the relationship between socialist enterprises and the state under the dictatorship of the proletariat. We must hold high the banner of revolutionary mass criticism, topple by criticism and discredit by struggle in the great mass movement for struggle-criticism-transformation the fallacy of "enterprise autonomy" spread by Sun Yeh-fang and his like, and firmly expose, criticize and repudiate the erroneous thought and tendency that attempt to weaken the leadership of the proletariat in the economic sphere. We must conscientiously study Chairman Mao's brilliant article "On the Correct Handling of Contradictions Among the People," correctly handle the relationship between socialist enterprises and the state under the dictatorship of the proletariat, and fight for further consolidating the leadership of the proletariat in the economic sphere.

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Whither the God of Plague

- Criticizing and repudiating the reactionary essence of Sun Yeh-fang's "theory of profit in command"

by

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From the Soviet revisionist renegade clique to renegade, hidden traitor and scab Liu Shao-ch'i, from Liberman to Sun Yeh-fang, they all advertized "profit in command" for recalling the bourgeois ghost. "The proletariat wants to transform the world according to its own world outlook and the bourgeoisie also wants to do the same." The reactionary essence of the "theory of profit in command" lies in its vain attempt to transform the socialist economy according to the bourgeois world outlook into the capitalist economy; to transform socialist enterprises into positions for restoring capitalism; and to transform the relationship between the socialist state and enterprises into a special type of state capitalism. Its vital significance lies in its opposition to the great truth of Chairman Mao's teaching that politics is the commander and soul and that "political work is the life-blood of all economic work," and its scheme to disintegrate the socialist system of ownership by the whole people and usurp political power from the proletariat. The guns of revolutionary mass criticism are roaring and the torrent of struggle-criticism-transformation is rolling forward on the economic front. We must thoroughly criticize and repudiate the "theory of profit in command," completely destroy the reactionary ideological system of the bourgeoisie in the economic sphere and energetically grasp the class struggle on the economic front so as to consolidate the economic base of socialism and bring about a new leap in the building of socialism.

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The great leader Chairman Mao teaches us: "Our present important task on the ideological front is to conduct criticism and repudiation against revisionism." To conduct revolutionary mass criticism on the economic front, it is essential to criticize and repudiate counter-revolutionary Sun Yeh-fang who has sneaked into the economic circles as he is a typical living target.

Sun Yeh-fang was none other than Hsueh O-kuo (薛 萼 果) who flattered and glorified renegade Wang Ming as "quite capable" in those years. He was the Sung Liang (宋 亮) mentioned by renegade, hidden traitor and scab Liu Shao-ch'i in his 1941 letter "Replying to Sung Liang." He was that sinister hsiu-ts'ai who in 1959 provided the P'eng Te-huai anti-Party clique with cannon-balls at the Lushan Conference. He was the sinister lieutenant who voiced his "utmost support" when Liu Shao-ch'i advocated in 1964 "the control of the economy with economic methods." He was a loyal lackey kept by Liu Shao-ch'i as well as the stooge of the Soviet revisionist renegade clique. Over a number of years he picked the junk from the garbage heaps of new and old revisionism and pieced together a complete set of reactionary economic theories to clear the way for Liu Shao-ch'i to restore capitalism.

The core of Sun Yeh-fang's reactionary economic theories is nothing more than the "theory of profit in command." Their essence lies in the use of the "principle of profit" to transform the whole national economy, every enterprise, and the relationship between the state and enterprises, so as to lead the economy based on the socialist system of ownership by the whole people to the capitalist abyss.

Everything for the Revolution or Everything for Profit

A violent struggle in line between Marxism-Leninism-Mao Tsetung thought and revisionism is carried out around the question of whether the development of the national economy should submit to the need of the revolution or take profit as the point of departure, of whether everything should be done for the revolution or for profit.

Sun Yeh-fang was the counterrevolutionary vanguard who frenziedly advocated putting profit in command. He said: "I have doubts about the assertion that 'the capitalist society carries out production for profit, while socialism is not for profit but for use value.'" "Our raising the rate of labor production and technical know-how is aimed at making profit." This fallacy of Sun Yeh-fang's matched every expression and desire of China's Khrushchev. Big renegade Liu Shao-ch'i flagrantly cried: "Do whatever is most profitable." To make a long story short, in their eyes, profit was everything and everything was done for profit.

The object and orientation of the development of social economy is determined by the nature of the social system. Marx said: "The mission of the bourgeois society is to make money." Frantic pursuit of profit is the fundamental characteristic of the capitalist society.

For the socialist system of public ownership of means of production, the object of economic development must submit to the need of the people and the need of consolidating the proletarian dictatorship and of aiding the world revolution. The far-reaching ideal and great historical mission of the proletariat is to overthrow imperialism, modern revisionism and the reactionaries of various countries, to wipe out the system of men exploiting men in the world, and to build a new world without imperialism, capitalism and the exploitation system. All our work and economic activities must stand on this whole.

Sun Yeh-fang openly betrayed socialism, worshipped the bourgeois "secrets" for making money and building a fortune as though they were "sacred," and he made every effort to advocate the use of the "principle of profit" to "regulate" the orientation of the development of the national economy. He said that "the planned and proportionate development of the national economy must be based on the law of value," and that "no matter what kind of investment is adopted," the state "must consider the average rate of profit for the capital funds employed" and "take into account the profit for each yüan invested." The ugly look of a capitalist is thus brought out in full relief.

The talk of planned economy is a fake and capitalism is actually wanted. Investment is sunk in whatever sector that is profitable and things that yield a bigger margin of profit are produced. This is purely the business attitude of the capitalist. The law of value and the law of profit are laws for regulating capitalist production. Planned economy "based on the law of value" will "lead the wolf into the house," usher in the capitalist law of profit and disintegrate the socialist economy.

The development of socialist planned economy must submit to proletarian politics. Chairman Mao's great strategic thought of "be prepared against war, be prepared against natural disasters and do everything for the people," his general line of "building socialism by going all out and aiming high to achieve greater, faster, better and more economical results" and his great policies of "taking agriculture as the foundation and industry as the leading factor" and "independence and self-reliance" reflect the objective laws of the socialist revolution and socialist construction and constitute the direction for us to develop the national economy and the base for drawing up plans. The sinister intention of Sun Yeh-fang in advocating "profit in command" was to resist Chairman Mao's revolutionary line and great policies.

"Be prepared against war, be prepared against natural disasters and do everything for the people"--this is our point of departure in all work and the fundamental object of socialist construction. Only by means of this great strategic policy can we meet the need for preparedness against war and the need of the people, and make all-round strategic arrangements for economic construction and defense construction, thus forming a bastion of iron and making us forever unbeatable. If the margin of profit were taken as the point of departure, then heavy industry and inland industry that call for more investment and yield slow results could not be built, the defense industry could not be developed, a region, a province or a municipality could not proceed from preparedness against war to set up different industrial systems, and we could not effectively deal with aggression by imperialism and social-imperialism.

The general line of "building socialism by going all out and aiming high to achieve greater, faster, better and more economical results is the beacon light illuminating the socialist revolution and socialist construction in China. Only by means of this general line and the general policy of developing the national economy by "taking agriculture as the foundation and

industry as the leading factor" as well as the policy of "walking on two legs" can we arouse the revolutionary enthusiasm of the working class, the poor and lower-middle peasants and the people of the whole country to the maximum extent, thus enabling China's agriculture and industry, light industry and heavy industry, the various sectors of the national economy and the various regions to develop proportionately at a high speed in a planned manner, and continuously consolidating and developing the economic base of socialism. If the margin of profit were taken as the point of departure and the orientation of investment were determined by "the average rate of profit for capital funds," then the proportionate development of the national economy at a high speed in a planned manner would necessarily be undermined, the free economy of capitalism would be revived, and a dark scene like that of the Soviet revisionist social-imperialism which is beset with difficulties at home and abroad would emerge.

"Independence and self-reliance" constitutes the fundamental way for building socialism in China. Only by firmly adhering to this road can we build an independent, integral and strong socialist economic system, consolidate the proletarian dictatorship, and aid the world revolution. If the margin of profit were taken as the point of departure, then certain economic sectors and branches of technique that call for greater investment and yield slow results and a low margin of profit, and even call for state subsidy could not be built and developed. China could thus only let imperialism and social-imperialism take her by the throat, become the market for them to dump their commodities and the base for them to plunder raw material, and return to the old semi-feudal, semi-colonial status.

For the sake of covering up his reactionary aim, Sun Yeh-fang actually said that he was "working exclusively for the interests of the people as a whole and the long-range interests of communism." He really knew not that there was such a thing as shame in the world. Sun Yeh-fang did everything for making money, and making money is everything to him. The stink of money was diffused from his head down to his feet, from every pore of his body. Every word he spoke sounded like the voice of the vampire. In his eyes, there were not "any interests of the people as a whole," not "any long-range interests of communism." For the sake of making money, he had long consigned to oblivion the need of the revolution and the need of the people. This counterrevolutionary basically had no communist ideals. The "communism" he peddled was nothing but another name for capitalism and out and out of the modern revisionist brand. We definitely will not allow such a shameless fellow as Sun Yeh-fang who has betrayed the revolution, the people and the socialist fatherland to tarnish such great and illustrious words as socialism and communism with his stink of money.

Bringing Proletarian Politics to the Fore or "Profit Incentive"

In the operation of enterprises, relying on bringing proletarian politics to the fore and relying on "profit incentive" are the different lines of the two classes.

Sun Yeh-fang said that "profit is the most concentrated expression of whether an enterprise is well or poorly run" and that by grasping this "central link" of profit, "it is possible to set in motion all other things" and "give impetus to enterprise management." This was entirely a reprint of Liu Shao-ch'i's philistine philosophy. Didn't Liu Shao-ch'i advocate again and again that a "factory must make money and any one that does not should be wound up?"

What is relied on to appraise and give impetus to enterprise management? Different classes have different criteria and methods. Chairman Mao teaches that politics is the commander and the soul and that "political work is the life-blood of all economic work." The enterprises run by the proletariat take politics as the commander and make a success of economic work under the command of politics. The enterprises run by the bourgeoisie regard making money and amassing fortunes as the sole criterion and motive force. What Sun Yeh-fang made every effort to advertize was the bourgeois way of doing business.

Chairman Mao's "Anshan Steel Constitution" is the fundamental code for enterprises run by the proletariat. Bringing proletarian politics to the fore is the soul of the "Anshan Steel Constitution."

Politics always comes first, politics is always in command, and politics always leads economics. Bringing politics to the fore has been advanced in accordance with the laws governing the development of socialism. There is in the socialist society the sharp struggle between the two classes, the two roads, the two lines. Socialist enterprises are units for the production of material as well as the positions of the violent struggle between the two classes. In comparison with economics, politics cannot but take the first place. Only by bringing politics to the fore can the proletarian consolidate its political power and consolidate and develop the economic base of socialism. By carrying out the production of material alone without bringing politics to the fore, the proletariat will lose its political power, and can only prepare some material wealth for the bourgeoisie.

Chairman Mao teaches us: "Any socialist economic undertaking must pay attention to doing everything possible to make full use of manpower and equipment, doing everything possible to improve the organization of labor and business management, raise the rate of labor production, make economic use of manpower and material resources as far as possible, and carry out labor emulation and business accounting so as to lower costs and increase personal income and accumulation year after year."

We oppose profit in command, but this does not mean profit is not wanted as Sun Yeh-fang accused us. Socialist profit is an important form of accumulation for the state under the dictatorship of the proletariat. However, the profit we want and Sun Yeh-fang's "profit in command" are basically two different things.

Sun Yeh-fang's "profit in command" regards the pursuit of profit as the point of departure and the highest objective, while our increasing the profit of socialist enterprises is aimed at increasing accumulation for the revolution. Profit and accumulation themselves are not the objective of the socialist enterprises engaged in production. Our objective is to use the means of surrender of profit to a higher level and of increase of accumulation to extend continuously socialist re-production, strengthen and consolidate the economic base of the proletarian dictatorship and give a better impetus to the Chinese revolution and to aid to the world revolution.

Sun Yeh-fang's "profit in command" takes profit incentive and material incentive as the motive forces, while we rely on bringing proletarian politics to the fore to increase the profit of socialist enterprises.

Sun Yeh-fang's "profit in command" undermines the general and specific policies of the Party, abolishes the state plans and carries out whatever is profitable, but our increasing socialist profit calls for enterprises to observe strictly the general and specific policies of the Party, carry out the unified plans of the state, broaden the sources of income and economize on expenditures.

Sun Yeh-fang's "profit in command" puts the profit target in the first place while we give first place to quality and variety in the planned target system.

Simultaneously with penetratingly criticizing and repudiating the reactionary "theory of profit in command," we also must pay attention to guarding against and overcoming the waste of wealth, against the tendency to neglect accumulation and dare to keep house and manage finance for the revolution.

Sun Yeh-fang regarded profit as the panacea, and he sought at all times "profit incentive" to uphold vitality. By means of profit incentive, he also engineered material incentive and put bonus in command. All this is alien to the socialist system. In order to consolidate and develop the socialist economy owned by the public and to strengthen the proletarian dictatorship, we must promote utter devotion to public interests and foster people with communist spirit. Material incentive runs counter to the thought of utter devotion to public interests because it incites self-interest, and it basically cannot arouse socialist enthusiasm.

Mao Tsetung thought is a strong spiritual force for transforming the world. "Matter can be translated into spirit and spirit can be translated into matter--this is a great truth of materialistic dialectics. Once Mao Tsetung thought is in control of the masses, it will become a spiritual atomic bomb of unsurpassed power that emits an enormous material force and creates miracles in the world. The people of Taching relied on Mao Tsetung thought to complete a first-rate large oil field in the world. The people of Tachai blazed the trail in changing nature and the soil. The Oil and Fat Plant of Kirin Municipality, relying on Mao Tsetung thought, "made revolution with three pots" and composed a magnificent song glorifying

self-reliance, hard struggle and running of factories with diligence and frugality. "The dazzling ideological and political flowers necessarily bear an abundance of economic fruits."

The masses of the people are the makers of history. The working class is the master of the socialist country. It is necessary to rely wholeheartedly on the working class, rely on the broad revolutionary masses, trust them, respect their initiative and bring their wisdom and strength into full play. But Sun Yeh-fang and his like, with the eyes of bourgeois egoism, regarded the masses as "the mob," and by taking the reactionary stand of the capitalists, they regarded the working class as the target for exploitation. Sun Yeh-fang actually said that we were "inferior to the capitalists" in "the use of rewards." This is really vicious in the extreme! To uphold its own rule, the bourgeoisie first relies on savage tyranny, and if it is said that this also involves "the use of rewards," then it is "the use of little money to buy much money" for the purpose of squeezing the workers to a greater extent. By advocating "material incentive," Sun Yeh-fang wanted to turn the workers into labor-selling slaves, to restore the relationship of hired labor and to establish the tyrannical rule of the bourgeoisie.

We must completely smash Sun Yeh-fang's plot to promote "profit in command" on a large scale, fiercely criticize such counterrevolutionary economism as "bonus in command," "material incentive," etc., proceed along the illustrious road indicated by the "Anshan Steel Constitution," and run the socialist enterprises as revolutionary crucibles, a strong front for guarding against and opposing revisionism, and great schools red with Mao Tsetung thought.

Behind the Back of "Grasping Only One Profit Target"

"All revolutionary struggles in the world are for the purpose of seizing political power and consolidating it." By advertizing "profit in command" in a vain attempt to restore capitalism, Sun Yeh-fang was also directing the spearhead at the political power of the proletariat.

He attacked the Party and the state of subjecting the enterprises to "too much control and too rigid a control." He said that "such control is fatal "because it fetters the enterprises hand and foot" and "restricts their initiative." Putting on the airs of "Blue Sky Hai," he "spoke for" the enterprises and called on the state to hand over powers:

First, "the premises and equipment of the enterprises and all raw materials needed for production" should be "dealt with by the enterprises themselves." The enterprises have the right "to buy and sell fixed assets freely" and the central and local authorities "cannot interfere with them."

Second, "the supply and marketing contracts made between enterprises, and the quantity and concrete varieties and specifications to be supplied and marketed are all functions within the duties and powers of the enterprises, and the state and local authorities need not interfere with them."

Third, the planned targets should be "stipulated in the annual plans of the enterprises," and the enterprises should be "empowered to handle all economic affairs independently." The state is "not required to set even targets in respect of output of products" and "may take a laissez-faire attitude."

What little power should be left with the state? "Only to grasp the profit target" and "to require the enterprises to surrender to the higher level their profit" "in proportion to the capital funds employed."

This was Sun Yeh-fang's vicious scheme to transform the relationship between the state and the enterprises with the "theory of profit in command," thus usurping at one stroke immeasurable power over the thread of life of state economy.

What a "cannot interfere with," "need not interefere with," and "take a laissez-faire attitude"! Can it be said that the state "cannot interfere with" the free disposal of means of production and operating of black factories by enterprises? Can it be said that the state "need not interfere with" the free buying and selling of products and the practice of speculation and manipulation by enterprises? Can it be said that the state should "take a laissez-faire attitude" toward the enterprises that map out plans freely and change the direction of production at random? No control by the proletarian regime means control by the bourgeoisie. Should the state "only grasp a profit target," the proletarian dictatorship would degenerate to become bourgeois dictatorship, and the socialist enterprises would depart from the leadership of the state under the dictatorship of the proletariat and make declaration of "independence and autonomy" one by one.

"Rigidity would result once control is exercised" by the state over the enterprises. This is really strange talk and is reactionary in the extreme. The socialist system of ownership by the whole people is the system of ownership by the state under the dictatorship of the proletariat. If the state could not control its own enterprises, wouldn't the system of ownership by the whole people come to nought? The state under the dictatorship of the proletariat is the representative of the socialist system of ownership by the whole people and the socialist enterprises are the economic cells of the system of ownership by the whole people. In accordance with the principle of democratic centralism, the state must exercise centralized, unified leadership over thousands of enterprises under it and achieve "unified understanding, policies, plans, command and actions" on the basis of Mao Tsetung thought. Chairman Mao says: "Without a high degree of democracy, there cannot be a high degree of centralism, and without a high degree of centralism, it is not possible to set up the socialist economy." Sun Yeh-fang attacked the state of "exercising too rigid a control" over the enterprises, and he directed the spearhead at the centralized unified leadership of the state. What is "flexibility" without the centralized unified leadership of the state can only be the "independent kingdom," the "free world" of capitalism.

The state "fetters the enterprises hand and foot" and "restricts the initiative of the enterprises." So Sun Yeh-fang frenziedly cried that it was necessary to give free reins to capitalism. In the violent struggle between the two classes, the two roads, the two lines, there are two kinds of "initiative." It is either the socialist initiative or the capitalist initiative. It must be one of them and the two exclude each other like water and fire.

The state under the dictatorship of the proletariat carried out the principle of integrating centralized leadership with management at different levels in the control of enterprises. Under the centralized unified leadership of the state, immeasurable power is monopolized while minor power is dispersed and the enterprises are given some freedom of operation so that they may enjoy relative independence and bring their enthusiasm and initiative into full play. However, the relative independence of the enterprises must presuppose the unity of the state. In departure from this presupposition, this is not socialist initiative and can only be initiative in the restoration of capitalism. What Sun Yeh-fang wanted was precisely this kind of "initiative." We not only "restrict" this but also must deal it a devastating blow.

The relationship between the proletarian state and the enterprises is actually one between the leader and the led. Sun Yeh-fang obliterated at one stroke this socialist relationship on the ground that the "state control is too rigid" and "the enterprises are bound hand and foot." Using the chain of "one profit target" to fetter the state and the enterprises, he changed this relationship into one based on monetary transaction. The state gives an enterprise a sum of money to enable it to carry on business. It is for the enterprise to decide the way of doing business, and it will do so long as the state collects profit. This is essentially the relationship between the creditor and the debtor in the capitalist society, the relationship between the industrial capitalist and the lending capitalist. Although displaying the socialist "signboard," enterprises of this kind have actually degenerated to become state capitalism. The means of production of enterprises of this kind are not owned by one or more private capitalists but are directly controlled by a handful of capitalist roaders, the privileged strata and new-born bourgeois elements, and owned by the state under the dictatorship of the bourgeoisie. This is the system of ownership by privileged strata.

Sun Yeh-fang glibly called for "throwing open" "the gate of this sacred garden of ownership by the whole people." Now the cat is out of the bag! Actually he employed "a profit target" in a vain attempt to disintegrate the system of ownership by the whole people and set up a special type of state capitalism.

Sun Yen-fang glibly called on the state to "delegate power." Now the cat is out of the bag! Actually he represented the capitalist roaders, reactionary technical "authorities" and other new aristocrats of the bourgeoisie to seize power from the state. On one occasion, he went to the

First Automobile Plant of Changchun and told a capitalist roader: Your power is too small and "you should be entrusted" with the power of the enterprise. He baldly cried: Of those who are "in control of the economy today," "many are emancipated peasants and workers." Since they "are not capitalists," "have never served as bosses before" and "have not enough experience," they "encounter great difficulties." "The capitalists are very wise," their "ability must be used to the maximum extent," and they should be allowed to serve as "managers," "engineers" and "accountants." These deceitful talks offered iron-clad evidence to the fact that Sun Yeh-fang was such a most wicked and unpardonable devil.

Sun Yeh-fang gave lip service to "money" but had "power" in mind. Money, money, money! Power, power, power! Behind the back of "grasping only a profit target" was such a sharp struggle for power!

"Whither the God of Plague? Paper Boats and Bright Candles Shall Light His Way to the Skies"

The great proletarian cultural revolution has completely smashed Liu Shao-ch'i's bourgeois headquarters and the pipe-dream of this handful of plague gods--Liu Shao-ch'i and Sun Yeh-fang--to restore capitalism. But a dead centipede does not fall. This counterrevolutionary fallacy of "profit in command" must be destroyed with revolutionary mass criticism. The struggle-criticism-transformation on the economic front must rely on revolutionary mass criticism to clear the way. The upsurge of a new leap in socialist economic construction must be impelled with revolutionary mass criticism. The proletarian dictatorship must be further consolidated in revolutionary mass criticism.

Let us hold high the great red banner of Marxism-Leninism-Mao Tsetung thought and carry the socialist revolution through to the end on the economic front. Braving a greater storm of the people's revolution in the seventies, let us sail through the fog along the navigation route charted by Chairman Mao to greet the dawn of the new world.

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Criticism and Repudiation of Sun Yeh-fang and Struggle-Criticism-Transformation on the Economic Front

by

the Workers' Revolutionary Mass Criticism Unit of the Peking Knitting Factory and the Revolutionary Mass Criticism Writing Group of the Ministry of Textile Ministry

(Peking Jen-min Jih-pao, February 24, 1970)

In the mass movement for struggle-criticism-transformation on the economic front, a struggle for smashing the attack of the class enemies in the economic sphere and for defending socialism is being waged with great vigor.

The economic front has always been the scene of the violent struggle between the two classes. To carry out successfully this struggle so as to carry through to the end the socialist revolution on the economic front is essential to the consolidation and development of the economic base of socialism and for the consolidation of the proletarian dictatorship.

The great leader Chairman Mao teaches: "An important task of ours on the ideological front at present is to carry out criticism and repudiation against revisionism." At present, to hold high the great red banner of Mao Tsetung thought and criticize and repudiate further revisionism is an important measure for striking blows at a handful of class enemies who are undermining the socialist system of ownership. One important content of the struggle for the criticism and repudiation of revisionism on the economic front is to criticize and repudiate counterrevolutionary Sun Yeh-fang, the bourgeois representative that sneaked into the Party and for a time usurped the office of director of the Economic Research Office of the Chinese Academy of Sciences.

A Representative of Liu Shao-ch'i in the Sphere of Economics

"Does the criticism and repudiation of Sun Yeh-fang justify our going to war on a large scale?"

It is more than justified! We must never underestimate the significance of this struggle. Counterrevolutionary Sun Yeh-fang was a representative of renegade, hidden traitor and scab Liu Shao-ch'i in the sphere of economics, a spokesman of Liu Shao-ch'i's counterrevolutionary revisionist economic line.

This Sun Yeh-fang collaborated with Liu Shao-ch'i as far back as the period of democratic revolution in the early 1940's. At the time, Liu Shao-ch'i usurped the office of the principal of the Central China Party School and Sun Yeh-fang was Director of the Education Section. They wrote

sinister letters to each other to sing a duet. In a sinister letter entitled "Replying to Sung Liang," Liu Shao-ch'i frenziedly opposed Mao Tsetung thought. This Sung Liang was Sun Yeh-fang.

This Sun Yeh-fang was actually "economic adviser" to renegade, hidden traitor and scab Liu Shao-ch'i during the period of the socialist revolution. In 1959, Liu Shao-ch'i gathered together his fellow travelers and told them his "impressions" of the Soviet "textbooks on political economy." Sun Yeh-fang was one of the guests present.

Under the protective wings of the bourgeois headquarters represented by Liu Shao-ch'i, this Sun Yeh-fang wrote "articles," delivered "reports" and conducted "investigations" everywhere wantonly to spread poison. Sun Yeh-fang was backed by Liu Shao-ch'i's sinister lieutenant Po I-po when he presided over the compilation of the poisonous weed "On Socialist Economy." He was encouraged by Chou Yang of the demons' palace ofthe former Propaganda Department of the CCP Central Committee when he schemed in 1959 the sinister forum on economic theories. Banking on the support of these sinister backstage bosses, Sun Yeh-fang openly declared that he was "more thoroughgoing than" Liberman, the economic scholar in the employ of social-imperialism.

This Sun Yeh-fang worked hand-in-glove with the Soviet revisionist economic scholars. They advertized each other, paid visits to each other and were very warm to each other. After the 20th and 21st congresses of the Soviet revisionists, Sun Yeh-fang went to the Soviet Union again and again to acquire revisionist experience. He peddled a set of contrabands--principle of profit, material incentive, liberalization of enterprises, etc. --to clear the way for capitalist restoration.

Can we treat casually such a representative of Liu Shao-ch'i in the sphere of economics? No, definitely not! We must go to war on a large scale, take up the iron broom of the proletariat and sweep Sun Yeh-fang's economic fallacies into the dustbin of history.

"The economic theories preached by Sun Yeh-fang have not much to do with our practical work."

True, Sun Yeh-fang dealt with "theories," but he did this to create a "theoretical basis" for his sinister master Liu Shao-ch'i to restore capitalism in China. Chairman Mao taught us: "To overthrow a political power, it is always necessary first of all to create public opinion, to do work in the ideological sphere. This is true for the revolutionary class as well as for the counterrevolutionary class." What Sun Yeh-fang did was precisely for the exclusive purpose of creating counterrevolutionary public opinion.

Sun Yeh-fang's "economic theories" are Liu Shao-ch'i 's "economic theories," and the "economic program" of the former is the "economic program" of the latter. They "obliterate the difference between socialism and

capitalism, between proletarian dictatorship and bourgeois dictatorship. What they advocate is actually not the socialist line but the capitalist line."

Sun Yeh-fang's "economic theories" and "economic program" directly endanger the building of socialism and the proletarian dictatorship. While we are concerned with practical work in building socialism and consolidating and developing the proletarian dictatorship, how can we regard the counter-revolutionary theories and program that directly endanger our proletarian cause as "having not much to do with our practical work"?

Sun Yeh-fang has been overthrown and his power has been seized. His political crimes are in the course of being liquidated. However, the revisionist economic fallacies spread by him have found some markets and up to the present, their poison still stinks and is still harmful to people. The struggle in the ideological and cultural sphere is a most important aspect of the class struggle. If the revisionist ideas and theories are not criticized and repudiated, it is not possible to occupy firmly the various positions of the ideological and cultural sphere and consolidate the proletarian dictatorship. Consequently, the criticism and repudiation of Sun Yeh-fang's revisionist theories is a common task for the broad masses of workers, peasants and soldiers, revolutionary economic and theoretical workers. We must seize hold of this teacher by negative example, unfold revolutionary mass criticism and further impel the struggle-criticism-transformation on the economic front so that the great red banner of Mao Tsetung thought may fly high and forever over the various positions of the economic sphere.

One Black Program, Five Soft Knives

Now, let us excoriate and examine the counterrevolutionary program in the service of Liu Shao-ch'i's capitalist restoration that Sun Yeh-fang hid under the mantle of "academic theory."

After the basic completion of the socialist transformation of the system of ownership of means of production in China, Chairman Mao himself formulated the general line of "building socialism by going all out and aiming high to achieve greater, faster, better and more economic results." He put forward a complete set of guidelines based on "walking on two legs" and the well-known five fundamental principles of the "Anshan Steel Constitution": Keep politics firmly in command; strengthen Party leadership; launch vigorous mass movements; institute the system of cadre participation in productive labor and worker participation in management, of reform of irrational and outdated rules and regulations, and of close cooperation among cadres, workers and technicians; and go full steam ahead with technical revolution. These brilliant instructions of Chairman Mao's have charted for our country the one and only correct road for putting politics in command of the economy and leading mechanization with revolutionization.

Liu Shao-ch'i and Sun Yeh-fang frenziedly opposed the Party's general line of building socialism and they actively carried out the counterrevolutionary revisionist line of economic construction. Liu Shao-ch'i vilified the method of leading economic construction by our Party and state as the "super-economic method," and he tried his utmost to advocate "the control of the economy with economic methods." Sun Yeh-fang regarded such sinister talks as "imperial decress" and he said: "The discussion of this question is most profound and has my unreserved support. I have all along advocated the control of the economy with economic methods."* To tell the truth, their so-called "control of the economy with economic methods" is actually a counterrevolutionary economic program for restoring capitalism.

In this program, Sun Yeh-fang maliciously cast forth five soft knives that could kill people without shedding blood. Every knife was directed at the socialist economy and the proletarian dictatorship.

First, the advocacy of "profit in command." This is the core of Sun Yeh-fang's counterrevolutionary economic program.

Renegade, hidden traitor and scab Liu Shao-ch'i openly declared: "A factory must be profitable and all unprofitable factories should close down and stop paying wages." Giving this observation of his sinister master a "theoretical" mantle, Sun Yeh-fang said: "Profit is the most important comprehensive target for the examination of an enterprise. So long as we grasp profit, we are leading the ox by the nose, and the legs of the ox (other targets) automatically follow the lead."** The amount of profit has always been the sole criterion for the capitalists to gauge the success of enterprises. This fallacy of Sun Yeh-fang and his like is actually the "business principle" of the capitalists.

Socialist enterprises must bring proletarian politics to the fore, adhere consistently to a series of great guidelines such as "develop the economy to safeguard supply" and "be prepared against war, be prepared against natural disasters and do everything for the people," serve the socialist revolution and socialist construction in China, and aid the world revolution. This is the steadfast and correct political orientation of our socialist enterprises. By adovcating "profit in command," Liu Shao-ch'i, Sun Yeh-fang and his like vainly attempted to make the socialist enterprises change their political orientation at will for the sake of making money, reap profits at the expense of others, take advantage of the situation for profiteering purposes, undermine the socialist planned economy, and turn the socialist relationship between the enterprises and the state, between one man and another, in the monetary relationship of capitalism. The more intense is "profit in command," the farther are the enterprises away from

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* A talk in the first half of 1964.

** A talk in August 1956.

socialism, the socialist economy will degenerate into the capitalist economy, and the proletarian positions will be converted into the social props of revisionism.

Second, the advocacy of "production first."

Liu Shao-ch'i talked nonsense saying: "Production is the sole task of an enterprise." Sun Yeh-fang also advocated: "Politics must be conducted around and through production."* He also attacked politics in command as "idealism" "undermining the development of the productive forces,"** thus attempting to use "production first" to smother proletarian politics in command.

Lenin once sternly denounced those old opportunists saying: "Compared with economics, politics cannot but occupy the first place. Not affirming this point means forgetting the most rudimentary common knowledge of Marxism." Of all our ways for building socialism, proletarian politics in command, that is, Mao Tsetung thought in command, comes first. With this principle adopted, everything is in order. Chairman Mao teaches: "While we recognize that in the general development of history the material determines the mental and social being determines social consciousness, we also--and indeed must--recognize the reaction of mental on material things, of social consciousness on social being, and of the superstructure on the economic base." In the contemporary era, the strongest spiritual force is found in people armed with Mao Tsetung thought. The masses of the people are the makers of history, and once they master Mao Tsetung thought, they will become the wisest and the bravest, capable of bringing their inexhaustible revolutionary drive into play. The great achievements won by China in the socialist revolution and socialist construction have completely smashed the fallacy of Sun Yeh-fang and his like to the effect that politics in command "is idealism" "undermining the development of the productive forces."

If we grasp the material as it is according to Liu Shao-ch'i and Sun Yeh-fang's method, we cannot grasp well the material, and even though there is material, it will in the end fall into bourgeois hands. The revolutionary people should forever be on guard against this soft knife of "production first."

Third, the advocacy of "material incentive."

Liu Shao-ch'i talked nonsense saying: "There must also be some material incentive!" "Without offering a bit more money, there is not enough enthusiasm for production, and production is not conscientiously

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* "Speech at the Forum of the Economic Research Institute on Studying the Experience of 'Tach'ing'" (January 1964).

** "On Socialist Economy" (June 1961)

carried out for you." Sun Yeh-fang then said: "Material incentive cannot be described as absolutely wrong."* He made every effort to corrupt the workers with bourgeois egoism saying: "If everybody gives no thought to personal interests but has the interests of the state in mind every day, then things will get from bad to worse."** In other words, they wanted to take "material incentive" as the "motive force" for the "development of production."

Liu Shao-ch'i and Sun Yeh-fang's fallacies are the greatest vilification to our working class. The working class is the revolutionary leading class most far-sighted, most selfless and richest in revolutionary thoroughness. "We are mindful of the 700 million people in China and the hundreds of millions of the revolutionary people all over the world." "We work neither for fame nor for gain, but for the revolution." This is the resounding reply of our working class.

Lenin pointed out: "Working for money--this is the morality of the capitalist world." "Material incentive" is a manifestation of counter-revolutionary economism in the socialist period. Liu Shao-ch'i, Sun Yeh-fang and their like advocated "material incentive." In the enterprises, they promoted so-called bonus in command, overtime pay, piece-rate wages, in a vain attempt to corrupt our working class with bourgeois "self-interest" and contaminate our working class with money, fame and gain, material pleasure and other filthy things of the bourgeoisie. Harboring treacherous designs, they vainly attempted to make us abandon the fundamental interests of the proletariat and devote our whole minds to the so-called "struggle for a few great projects." They vainly attempted to make the revolutionary masses "think of money and forget the political power of the proletariat," "win bonuses and change direction," thus undermining socialist production and disintegrating the economic base of socialism.

Fourth, the advocacy of "plant management by experts."

Liu Shao-ch'i talked nonsense saying that in carrying out construction it was necessary to "rely specially on the factory superintendents, engineers and technicians." Sun Yeh-fang also advocated what he called the technical responsibility of the chief engineer and the economic responsibility of the chief accountant. In their eyes, the broad working masses are nothing more than the "labor force," the "mob" that can only docilely "obey orders." Their criminal aim was to piece together counterrevolutionary revisionist gangs in the sphere of industrial production, so that a handful of capitalist roaders and bourgeois reactionary technical "authorities" might usurp leadership in the Center, local administrations and production units and establish the counterrevolutionary dictatorship of the bourgeoisie.

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* A report in June 1960.

** A report in June 1963.

"The working class must exercise leadership in everything" or "the management of plants by experts"--this is an important question bearing on whether the socialist economy is led by the proletariat or the bourgeoisie is allowed to usurp its leadership. By advocating "the management of plants by experts," Liu Shao-ch'i, Sun Yeh-fang and their like essentially let the bourgeoisie exercise "dictatorship" over the proletariat. If they were allowed to have their way, then the rights of the proletariat and the laboring people would be totally lost.

Fifth, the advocacy of "enterprise autonomy."

Liu Shao-ch'i advocated that the Party and the government must "to some extent rise above" the enterprises and that "the enterprises should be managed by enterprise organs." Tailing after Liu Shao-ch'i, Sun Yeh-fang attacked our socialist planned economy saying that its "grip is fatal"* and that it was not as good as "free economy." He clamored that "it will do for the state to lay hold of only the value target (profit target) of the enterprises and leave all other things to the enterprises themselves."** He said that "all responsibilities within the confines of simple re-production must be handed over to the enterprises."*** In one word, they vainly attempted to peddle the revisionist "enterprise autonomy."

Chairman Mao teaches us: "There cannot be a high degree of centralism without a high degree of democracy, and without a high degree of centralism, it is not possible to establish the socialist economy." The vital part of "enterprise autonomy" is the disintegration of the socialist planned economy, the degeneration of the system of ownership by the socialist state into the system of ownership by a handful of privileged strata; it seeks to oppose the exercise of centralized, unified leadership by the Party and the state over the enterprises so as to let a handful of bourgeois representatives usurp the leadership in production units and subvert the proletarian dictatorship.

Sun Yeh-fang talked nonsense saying that the socialist planned economy was not as good as the capitalist "free economy." What he called "free economy" is the capitalist economy. The "freedom" he wanted is bourgeois "freedom" to exploit the proletariat, bourgeois "freedom" to exercise dictatorship over the proletariat. If things were done as he preached, our Party and state would be destroyed, the bourgeoisie would once again ride on the backs of us workers, and we would have to suffer again.

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* "Studying Chairman Mao's 'On Contradiction' with the Problems of Political Economy in Mind" (July 1964).

** A talk in August 1963.

*** "On Socialist Economy" (June 1961).

Sun Yeh-fang's five soft knives constitute his counterrevolutionary revisionist economic program. If his plot were allowed to have its way, then the enterprises of China would become socialist in form but capitalist ones in actuality, ours would be proletarian dictatorship in name but bourgeois dictatorship in essence, and China would take the road of restoring capitalism.

It Is Imperative To Carry Struggle-Criticism-Transformation on the Economic Front Through to the End

Chairman Mao teaches us: "There is no construction without destruction. Destruction means criticism and repudiation, it means revolution. It involves reasoning things out, which is construction. Put destruction first, and in the process you have construction." Sun Yeh-fang is a very good teacher by negative example. He has told us that the class enemies attempt to topple us from within under the conditions of proletarian dictatorship, what they oppose, what they support and what tactics and slogans they adopt on the economic front. By way of criticizing and repudiating Sun Yeh-fang, we can greatly heighten our ability to distinguish the fragrant flowers from the poisonous weeds, what is Marxism-Leninism-Mao Tsetung thought and what is revisionism, what is socialism and what is capitalism, and it is possible for us to draw in the main a dividing line between destruction and construction on certain fundamental questions in the struggle-criticism-transformation on the economic front.

We must thoroughly criticize and repudiate "profit in command" advocated by Liu Shao-ch'i and Sun Yeh-fang. In the socialist economy, what assumes command over everything else, takes the lead and occupies the first place can only be proletarian politics, but absolutely cannot be profit. Our criticizing and repudiating "profit in command" means to say that it is absolutely not possible to put profit in domination of everything else. Meanwhile, we also must increase production, strictly practice economy, carry out business accounting and pay attention to increasing accumulation. Those viewpoints and methods that reject business accounting, negate socialist financial management, and even reject cost accounting and the profit target are wrong. At present, there are people who think that "cost accounting means profit in command" and that "advocating business accounting means not bringing politics to the fore." There are also people who disseminate the "theory of waste is justified" in different forms, thus creating the theoretical basis for the practice of extravagance and waste and for squandering state properties at will, and playing the role of providing air-raid shelters for corruption, larceny, speculation and manipulation. These themes are most harmful.

We must thoroughly criticize and repudiate "production first" and "vocational skill in command" as advocated by Liu Shao-ch'i and Sun Yeh-fang. We can never see only things but not human beings, grasp only production but not the class struggle. We must conscientiously carry out Chairman Mao's great guideline, "Grasp the revolution and promote production."

The relationship between revolution and production is forever one between the leader and the led. At whatever time, it is imperative to put revolution in the first place and in command of production. Meanwhile, we cannot be slack with production, otherwise losses would be brought to the national economy, the implementation of the great strategic policy of "be prepared against war, be prepared against natural disasters and do everything for the people" would be affected, and this would in turn undermine the revolution. It is extremely wrong to cut asunder revolution and production and stand one against the other. At present, some people say that "production is an inflexible task while politics is a flexible one" and that "grasping the revolution is free of risk while grasping production is fraught with danger." All this is due to the lack of a correct understanding of the dialectical relationship between revolution and production and is a manifestation of the pernicious influence of "production first" and "vocational skill in command" advocated by Liu Shao-ch'i and Sun Yeh-fang not having been wiped out.

We must thoroughly criticize and repudiate "material incentive" and "bonus in command" as advocated by Liu Shao-ch'i and Sun Yeh-fang, forever bring proletarian politics to the fore and energetically grasp the ideological revolutionization of man. Meanwhile, we must show concern for the livelihood of the masses, correctly handle the relationship between the state, the production unit and the individual producer, and correctly deal with the question of distribution. At present, a handful of class enemies have whipped up again the evil wind of counterrevolutionary economism of all hues, and we must hit them a hard blow in the head.

We must thoroughly criticize and repudiate "plant management by experts" and "technique in command" as advocated by Liu Shao-ch'i and Sun Yeh-fang. The working class must firmly hold the seal and can never meekly hand over the production, technical and financial powers of the enterprises to some bourgeois "experts." Meanwhile, we must conscientiously carry out the Party policy toward the intellectuals, pay attention to arousing the enthusiasm of the revolutionary technical personnel in the "three-in-one combination" groups for enterprise management and for conducting scientific experiments and for bringing their role into full play.

We must thoroughly criticize and repudiate "enterprise autonomy" as advocated by Liu Shao-ch'i and Sun Yeh-fang. The exercise of centralized, unified leadership by the state over the socialist economy constitutes an important guarantee of our country moving forward along the socialist road. No socialist economic undertaking should be allowed to go its own way, to advocate the small group mentality and the theory of many centers, to arrange production plans on its own, to carry out at random capital construction not provided in the plan, to buy and sell freely fixed assets and to carry out barter trade.

Lenin said: "The social corpse of the bourgeoisie...cannot be put in a coffin and buried underground. Though capitalism has been beaten to death, the stink would linger with us, turn the air foul, poison our life, and surround from all sides the fresh and young things full of life with

decadent and dead things." Like all decadent ideologies and other inapplicable parts of the superstructure, the revisionist theory in the economic sphere represented by Sun Yeh-fang has doubtlessly collapsed, but it will take time to clear away all the rubbish left behind by it.

At present, the situation of the revolution and production is excellent all over the country, but a handful of class enemies are not reconciled to their defeat. They are waiting for an opportunity to launch a counterattack politically and have launched an attack against socialism in the economic sphere. They utilize bourgeois factionalism and the anarchic tendency to incite counterrevolutionary economism, stir up trouble to their own advantage, and practice corruption and embezzlement, speculation and manipulation to undermine the economic base of socialism and the proletarian dictatorship. This is the new tendency of the class struggle under the new situation.

In accordance with the great leader Chairman Mao's teaching "Never forget the class struggle" and under the leadership of the Party Central Committee headed by Chairman Mao and with Vice Chairman Lin as the deputy leader, we certainly must mobilize the broad revolutionary masses to launch with fanfare a mass movement for repulsing the bourgeois attack. With the invincible Mao Tsetung thought as weapon, we must criticize and repudiate the subversive activities of the class enemies, the capitalist tendency and the bourgeois way of thinking and work style, and completely wipe out the pernicious influence of Liu Shao-ch'i and Sun Yeh-fang's counterrevolutionary revisionism. Only in this way can the economic base of socialism be consolidated and developed and the proletarian dictatorship consolidated.

The revolution is developing and history is moving forward. Let us hold higher the great red banner of Mao Tsetung thought, "conscientiously make a success of the struggle-criticism-transformation" and carry the socialist revolution on the economic front through to the end!

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Conscientiously Make a Success of Socialist Business Accounting

- Comenting on another manifestation of "profit in command"

by

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(Peking Jen-min Jih-pao, March 2, 1970)

"Profit in command" is the core of counterrevolutionary Sun Yeh-fang's revisionist economic theory as well as the important content of renegade, hidden traitor and scab Liu Shao-ch'i's counterrevolutionary revisionist economic line. During the great proletarian cultural revolution, the broad masses of revolutionary workers, holding high the great red banner of Mao Tsetung thought, fiercely criticized "profit in command," greatly heightened their consciousness of the class struggle and the struggle between the two lines, and brought about the deep-going development of the struggle-criticism-transformation on the economic front.

However, seeing that "profit in command" had been discredited, a handful of class enemies, in the name of criticizing and repudiating "profit in command," turned to oppose business accounting in enterprises in a vain attempt to undermine business management in enterprises and the foundation of socialism. Some comrades with a low consciousness of the class struggle in the revolutionary ranks also echoed this line. This kind of opposition to business accounting with no regard for cost is another form of expression of "profit in command" and must be criticized and repudiated.

"Carrying out business accounting is not bringing politics to the fore."

This is an erroneous thought that stands politics against vocational skill. The great leader Chairman Mao teaches us: "Political work is the life-blood of all economic work." All our work must bring proletarian politics to the fore, put politics in the lead and in command. While politics must be put in command, other work also cannot be forsaken, since a good grasp on politics is not equal to a good grasp on other work. Having put proletarian politics in command, it is also necessary to make a good job of one's own work, and in order to give politics a concrete form, the use of politics in command to promote one's own work must be integrated with making a good job of one's own work. Chairman Mao also teaches us: "There is no question that politics is unified with economics and with technique. This is so every year and will forever be so."

Proletarian politics is not brought to the fore, the class struggle is not grasped and the strengthening of the proletarian dictatorship is not taken as the point of departure, but profit is taken as the point of

departure for all activities of an enterprise when Sun Yeh-fang claimed: "The amount of profit should be the most sensitive gauge of technical progress and the good or bad business management of the enterprise." This way of doing things necessarily leads the enterprise astray to capitalism and is extremely wrong.

When politics and vocational skill are stood against each other, however, it is held that in order to bring proletarian politics to the fore, business accounting cannot be carried out, and so long as things are produced, the question of efficiency, quality, cost, profit and accumulation can be ignored. This way of doing things will necessarily bring confusion to business and lead to great waste and loss of manpower and material and financial resources. Such development, if allowed to continue, is bound to undermine production and socialist economic construction. The economy constitutes the foundation, while politics is the concentrated expression of the economy. Poor economic work will in turn affect political work. Therefore, to stand politics and vocational skill against each other is essentially to oppose putting proletarian politics in command of vocational skill, and is one and the same kind of stuff as "profit in command."

Carrying out business accounting is definitely not opposed to bringing proletarian politics to the fore. On the presupposition of bringing proletarian politics to the fore, that is, persisting in the class struggle, consolidating the proletarian dictatorship and developing the socialist economy, making a good job of business accounting is of advantage to increasing the output of products, improving the quality of products and business management, making sensible and economic use of state investment, lowering the cost of production, increasing the margin of profit and enlarging socialist accumulation. The greater, faster, better and more economical results in production can thus provide greater material strength for the consolidation of the proletarian dictatorship and for the support of the world revolution. Can it be said that this is not in correspondence with the demand for bringing proletarian politics to the fore?

"Carrying out business accounting means profit in command."

Business accounting is either basically not understood or distorted by such a statement. Marx had this to say in Capital: "Book-keeping, as the control and ideal synthesis of the process, becomes the more necessary the more the process assumes a social scale and loses its purely individual character. It is therefore more necessary in capitalist production than in the scattered production of handicraft and peasant economy, more necessary in collective production than in capitalist production." What Marx called "book-keeping" here means keeping and balancing accounts and is the most important content of business accounting.

According to Marx's teaching, business accounting has its class content. There is socialist business accounting, there is capitalist business accounting and there is also revisionist business accounting. The capitalist and revisionist forms of business accounting serve the pursuit of profit and their precondition is profit in command. The socialist form

of business accounting is in the service of proletarian politics, and with proletarian politics in command as its precondition, it is basically not one and the same thing as "profit in command."

Some people say: This is incorrect. When you talk of socialist business accounting, don't you also investigate whether the operation of the enterprises is profitable? Is this not "profit in command"?

Our socialist enterprises take profit as a kind of economic index, a yardstick for measuring their receipts and expenditures and for analyzing their economic activities. But first of all, socialist profit is different from capitalist profit. Capitalist profit is the surplus value obtained through exploiting the workers and is the means for the capitalists to build their fortunes. Our socialist profit is the net income created by the workers and is the outcome of the economic use of manpower and material resources through lowering the cost of production and making rational use of state investment. The profit of enterprises is an important source of revenue of a socialist country and the fountainhead of socialist accumulation for extended re-production. Second, the socialist enterprises need a certain margin of profit, but this is different from "profit in command." The vital part of "profit in command" lies in its opposition to putting proletarian politics in command, the restoration of capitalism, and its regarding profit as the sole motive and object in the operation of enterprises.

Counterrevolutionary Sun Yeh-fang symbolized "profit in command" saying: "The control of profit is like leading the ox by the nose." His object was to "lead" the socialist enterprises onto the capitalist road. It is under the precondition of proletarian politics in command and under the guidance of the unified plan of the state that we talk of putting profit in the service of building socialism to achieve greater, faster, better and more economical results and of consolidating the proletarian dictatorship.

"Since all money belongs to the state, it makes no difference whether accounts are settled or not."

This version is at best a muddled view. Our socialist enterprises are state properties, and their means of production, capital funds and products are owned and centrally distributed by the state. But each enterprise is also a relatively independent accounting unit. Socialist enterprises are required to fulfill and overfulfill the state plans under the centralized, unified leadership of the Party and the state, make endeavors to increase the quantity and improve the quality of products, make economic use of material resources, lower costs, guarantee the surrender of profit, and increase accumulation for the state. This is essential to building socialism to achieve greater, faster, better and more economical results and "be prepared against war, be prepared against natural calamities and do everything for the people." Consequently each enterprise must balance its accounts. It must analyze all economic activities to discover, in the process of organizing production, where things are not rational as

they should be and where there are potentials that can be tapped. The broad masses should know how to improve further production and business management.

Chairman Mao teaches us: "Corruption and waste are the greatest crimes." "Every socialist economic undertaking must pay attention to making maximum use of its manpower and equipment, improving its labor organization, business management and labor productivity as far as possible, making economic use of manpower and material resources whenever possible and carrying out labor emulation and business accounting so as to lower costs and increase personal income and accumulation year after year."

The idea of "it makes no difference whether accounts are settled or not" and of "the meat in the pot" is actually the work style of the bourgeois young lords who do silly things and lead a silly life. This way of thinkking and of doing things not only will incur great waste to the operation of enterprises but also offers the class enemies a crack to crawl through, thus giving them a chance to practice corruption and embezzlement, speculation and manipulation, and to whip up the evil wind of economism. Those people who advocate this way of doing things are muddle-headed people if they have not an ulterior object in view.

We must firmly bear in mind Chairman Mao's teaching "Never forget the class struggle," and use the class struggle viewpoint to observe and analyze everything. We must thoroughly criticize and repudiate Sun Yeh-fang's "profit in command" and all forms of manifestation of "profit in command." We must guard against a handful of class enemies who not only wait for an opportunity to launch a counterattack but also attempt to undermine the foundation of socialism. We certainly must heighten our consciousness of the class struggle and the struggle between the two lines, smash all kinds of plots of the class enemies and quicken the pace of struggle-criticism-transformation on the economic front.

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Socialist Construction Must Persist in Putting Proletarian Politics in Command

- Thoroughly criticizing and repudiating Sun Yeh-fang's fallacy of "the law of value dominates everything"

by

Hung Yin-ping (洪銀兵)

(Peking Kuang-ming Jih-pao March 14, 1970)

The great leader Chairman Mao teaches us: "In the historical period of socialism, there are still classes, class contradictions and class struggle, there is the struggle between the socialist road and the capitalist road, and there is the danger of capitalist restoration."

From the very day the People's Republic of China was founded, there unfolded the most acute and complex struggle between the two classes, the two roads, the two lines around the fundamental question of what sort of state we should build and what sort of road we should take. In this struggle, as soon as we liberated the cities, renegade, hidden traitor and scab Liu Shao-ch'i began to advertize vociferously his contrabands of "there is merit in exploitation" and "making money is justified." Later, he cast forth a series of counterrevolutionary programs, such as "four freedoms" [freedom of usury, hiring labor, buying land and running private undertakings--translator], "san-tzu i-pao" [the extension of plots for private use and of free markets, the increase of small enterprises with sole responsibility for their own profits or losses, and the fixing of output quotas based on the households--translator], "profit in command," "material incentive," "doctrine of trailing behind at a snail's pace," etc., in a vain attempt to lead new China astray onto capitalism.

Among Liu Shao-ch'i and company, counterrevolutionary Sun Yeh-fang openly went into battle stripped to the waist in a vain attempt to create for his master Liu Shao-ch'i counterrevolutionary public opinion for restoring capitalism in China. He even unequivocally declared that he intended to be China's Liberman "more thoroughgoing than Liberman himself."

The great proletarian cultural revolution completely destroyed the bourgeois headquarters headed by Liu Shao-ch'i. Debts must be repaid and pernicious influence must be swept out. We certainly must hold high the great red banner of Mao Tsetung thought and employ revolutionary mass criticism as the weapon to settle accounts with the towering crimes committed by Liu Shao-ch'i and company. The fallacy of "the law of value dominates everything" advocated by counterrevolutionary Sun Yeh-fang, who regarded himself as China's Liberman, sought to create a "theoretical" basis for Liu Shao-ch'i to restore capitalism, and it constituted a posioned arrow shot at socialism. We must thoroughly criticize and repudiate this contraband peddled by Sun Yeh-fang.

Taking the General Line or the "Law of Value" as the Key Link?

Closely following his sinister master Liu Shao-ch'i, Sun Yeh-fang waved this poisoned arrow of "the law of value dominates everything," and directed the spearhead first at the three red banners and the general line of building socialism.

Summing up the rich experience gained by China in the socialist revolution and socialist construction, Chairman Mao advanced at the Second Plenum of the 8th CCP Central Committee to the people of the whole country the general line of "building socialism by going all out and aiming high to achieve greater, faster, better and more economical results." This is a red line for carrying out socialist construction in our country, the life-line for consolidating and developing the socialist system of ownership by the whole people, and the fundamental guarantee for swiftly building China into a great socialist country with modern agriculture, modern industry, modern science and culture and modern national defense. It has mobilized to the maximum extent all kinds of positive factors of the broad masses of the people for building socialism, brought into full play the wisdom, intelligence and creativeness of the broad masses of the people and liberated to the maximum extent labor productivity, thus leading to the emergence of unprecedented vitality and vigor for the cause of building socialism in China.

The facts prove that Chairman Mao's general line of building socialism is the beacon light illuminating the road forward for China's cause of building socialism. Advancing along this line means victory and any departure from it will bring failure and we would be led astray.

Sun Yeh-fang maliciously attacked the three red banners and frenziedly cried: "The general line of the Party and its complete set of policies based on walking on two legs all fall within the confines of the superstructure and political science, but they have not clearly analyzed what economic relations are reflected by these questions." He was so frenzied that he wanted to substitute the boundlessly brilliant general line with his black line, and he was so daring that he talked nonsense saying: "The law of value is actually another way to bring forward the general line." In this connection, Sun Yeh-fang voluntarily confessed that at the instigation of his master Liu Shao-ch'i, he harbored the aggressive design of the wolf by vainly attempting to replace socialism with capitalism.

What is the reactionary essence of Sun Yeh-fang's vain attempt to substitute the general line with the law of value? Clearly it is to liquidate proletarian politics and the organizational and leading role of the Party and the state over the masses of the people, to obliterate the extremely great enthusiasm and creativeness for building socialism latent in the masses of the people, and summing up, to attack maliciously the invincible Mao Tsetung thought.

Chairman Mao teaches us that politics is the commander, the soul, and that "political work is the life-blood of all economic work."

According to Chairman Mao's teachings on the question of relationship between politics and the economy, we know that the economy forms the base while politics is a concentrated expression of the economy. Compared with the economy, politics necessarily must take the leading place, and this is especially so under the socialist system. The reason is that the socialist economy cannot spontaneously grow to maturity in the maternal body of feudal society like the capitalist economy, and it can be set up only after smashing the bourgeois state machinery and establishing the proletarian regime. This is also to say that there must first be political power based on the dictatorship of the proletariat before there can be the socialist economy based on the system of public ownership of means of production. Without the proletarian regime, there is no socialist economy.

Consequently, in our country, the socialist economy is the material foundation of the proletarian dictatorship and is in the service of proletarian politics. Once we are divorced from the political leadership of the proletariat and the guidance of Chairman Mao's proletarian revolutionary line and are slack in ideological and political work, economic work will go astray and run counter to the fundamental interests of the proletariat, socialist enterprises will become capitalist enterprises, and the material foundation of the proletarian dictatorship will be converted into the material foundation of bourgeois dictatorship.

Historical experience merits attention, and the process of degeneration of social-imperialism is a striking historical lesson.

For the sake of attaining the criminal objective of substituting the Party's general line with the law of value, Sun Yeh-fang frenziedly opposed the invincible great Mao Tsetung thought. He vainly attempted to liquidate the commanding position of Mao Tsetung thought in socialist economic work and the leading role of the Party and the state over economic construction, and to obliterate the enthusiasm and creativeness of the masses of the people in mastering the great Mao Tsetung thought in the course of building socialism. He talked nonsense saying: "In dealing with enterprises, it will do for the state to lay hold of one target of value (profit target) alone. It may adopt a laissez-faire attitude toward other targets and leave them to the enterprises themselves." He also deliberately confused the basic difference between socialism and capitalism in social system, arbitrarily imposed on socialism the law of value which can play the role of the omnipotent dominator only under the capitalist form of production, and talked nonsense saying: "Of all laws, the law of value comes first."

Chairman Mao teaches us: "The Chinese Communist Party is the core of leadership of the whole Chinese people. Without this core, the cause of socialism cannot be victorious."

Built by Chairman Mao himself, our Party is a great, glorious and correct party armed with invincible Mao Tsetung thought. Our state is under the dictatorship of the proletariat. Socialist economic construction can only be carried out under the unified leadership, unified command and unified policy of the Party Central Committee and the proletarian state headed by Chairman Mao and with Vice Chairman Lin as the deputy leader. Any departure from or violation of the unified leadership of the Party and the state will cause the socialist economy to degenerate politically and involve confusion and waste economically.

As to the law of value, like other economic laws, it takes man's repeated practical activities to realize. In departure from man's practical activities, there is no economic law.

In class society, man's practical activities are always inseparable from classes and class struggle, and are always governed by the objective laws of classes and class struggle. At present, the three great revolutionary practical activities--class struggle, struggle for production and scientific experiment--of the broad masses of laboring people are carried out under the guidance of invincible Mao Tsetung thought and Chairman Mao's proletarian revolutionary line. Mao Tsetung thought reflects the objective laws of the class struggle at home and abroad and the fundamental interests of the proletariat and the broad masses of laboring people.

Vice Chairman Lin points out: "Our theories, our work experience and our guiding thought are most broadly concentrated in Mao Tsetung thought." Consequently, in building socialism in China, putting Mao Tsetung thought in command is the sole and most important guarantee for winning victory. Only by unifying thinking, policies, plans, command and actions on the basis of Mao Tsetung thought can we smoothly carry out the socialist revolution and socialist construction, overcome all difficulties, steer clear of all submerged rocks and head from victory to victory. The historical facts of China's socialist revolution and socialist construction show that "of all important things, Mao Tsetung thought is most important and of all lines, Chairman Mao's revolutionary line is the first one."

No matter what nonsense he might talk, Sun Yeh-fang who was hostile to the great Mao Tsetung thought could not harm in the least the boundless brilliance of the red sun and the brilliance of the general line of the Party that was formulated by our great leader Chairman Mao himself and has been proved by the broad masses of the people in revolutionary practice, nor could he shake in the least the correct political orientation of the broad masses of the people in China and their firm conviction in marching forward with big strides in this direction.

Planning First or Value First?

Close in the wake of this, Sun Yeh-fang shot the poisoned arrow of "the law of value dominates everything" at China's planned economy. Out of his reactionary class instinct that was hostile to socialism, he made every

effort to disparage planned economy, frenziedly clamored for "planning based on the law of value," and talked nonsense saying that "the law of value comes first," that "the law of value dominates everything," and that "the planned and proportionate development of the national economy must be built on the foundation of the law of value before it can be realized," otherwise "the greatest punishment will be received." And so on and so forth. All this is completely nonsense.

Engels said: "Once society is given means of production, the production of merchandise will be abolished and the domination of products over the producers will also be abolished. The anarchy within social production will be replaced with planned and conscious organization."

In China, under the socialist system, the socialist system of public ownership of means of production has been established, thus enabling our state to free itself completely of capitalist anarchy and obtain conditions for developing its own economy and culture according to plans. Consequently, planned economy is precisely an important aspect denoting the superiority of socialism over capitalism and an important characteristic of the socialist economy. It guarantees that China's national economy can be developed in a planned manner, proportionately and at a high speed, and that China can achieve greater, faster, better and more economical results in building socialism. This shows that planned economy must necessarily be built on the foundation of proletarian politics, that there cannot be socialist planned economy without the state under the dictatorship of the proletariat, that planned economy serves proletarian politics and that without planned economy it is not possible to have the socialist economic system.

China's national economic plans have been formulated in accordance with the general line of building socialism formulated by Chairman Mao and a series of important policies--"Be prepared against war, be prepared against natural disasters and do everything for the people," "independence and self-reliance," "with agriculture as the foundation and industry as the leading factor"--put forward by Chairman Mao. It correctly reflects the demands of the socialist economic laws, gives concentrated expression to the fundamental interests of the proletariat, and is in the service of proletarian politics. Under the socialist system of China, because of the existence of production and exchange of commodities, the law of value can only play its role to a certain extent. It can never play the role of regulating production, controlling the supply and demand of commodities and determining market price as in the capitalist society. In our country, the sphere of activity of the law of value is greatly restricted, and the law of value is merely utilized as a planning and accounting tool. In all economic spheres, the national economic plan is restricting the activities of the law of value, but is not determined and dominated by the law of value.

With an ulterior object in view, Sun Yeh-fang stood this objective fact on its head and vociferously cried that "the law of value dominates everything," and that "planning must be based on the law of value," thus trying

to convert socialism into capitalism. If things were done according to Sun Yeh-fang's counterrevolutionary program, then in China those production sectors that earn more money and yield faster results would be allowed to develop blindly, while the development of heavy industry and mining industry would be delayed because their margin of profit is low and they yield slow results. As to the national defense industry, it could not be developed because it does not earn money. How can the political power of the proletariat be consolidated in this way? And how can a socialist power with modern agriculture, modern industry, modern science and culture and modern national defense be built? What Sun Yeh-fang advocated is an out-and-out counterrevolutionary revisionist line. If things were done according to Sun Ye-fang's advocacy, then the socialist system would be thrown away and destroyed in the political field, and great confusion and waste would also be brought into being in the economic field.

In the capitalist countries where "the law of value dominates everything," due to the cyclical appearance of production crises, the productive forces in society are continuously subject to serious and devastating ravages. The economic crises of the capitalist world in 1929 is still fresh in the memory of the people of the capitalist countries, and the mention of it makes them tremble with fear. Since the Second World War, the economic crises of the capitalist world have come with greater frequency and have grown more and more violent. Crisis clings to imperialism like its shadow, and like perching on top of the volcano about to erupt, there will be no peace for imperialism until its doom. Within the short period of twenty-five years after the war, economic crises have erupted five times in the United States, Britain and other capitalist countries.

As to social-imperialism, because its national economy follows the evil road of the "new economic system," its industrial and mining enterprises blindly carry out production and sink investment purely for the purposes of earning more money and making more profit and its labor forces move blindly, confusion has arisen in the economic sphere, many sectors are unable to fulfill their production plans and to carry out production according to the varieties and specifications stipulated, and their products are most inferior in quality. According to the confession of the social-imperialist press, once the garments for adults manufactured by a certain plant were washed, they shrank to a size too small even for the school boys.

Things of this kind truly occurred again and again everywhere in the countries ruled by imperialism and social-imperialism. This is the grave consequence of the sabotage of the planned economy.

Planned Price or Free Price?

The poisoned arrow of "the law of value dominates everything" waved by Sun Yeh-fang was also directed against planned price.

The stabilization of the value of the currency and the consolidation of finance constitute the consistent thought of our great leader Chairman Mao and a component of Chairman Mao's proletarian revolutionary line. This is because the stability of commodity prices and finance not only guarantees the broad masses of the people a settled life but also creates favorable conditions for the planned and proportionate development of the national economy at a high speed.

Not long after the founding of the People's Republic of China, led by our great leader Chairman Mao himself and guided by Chairman Mao's proletarian revolutionary line, the phase of protracted acute currency inflation marked by soaring prices and market confusion left behind by the Kuomintang reactionaries was basically brought to an end in less than one year of time. At the Third Plenum of the 7th CCP Central Committee, Chairman Mao pointed out: "In the past few months, the People's Government has exercised unified control and unified leadership over financial and economic work all over the country, balanced the financial receipts and expenditures, curbed currency inflation and stabilized commodity prices." From then on, the people's currency of China has all along preserved the stability of its value and the stability of commodity prices despite the test of the anti-US, aid-Korea war and the test of three consecutive years of natural disasters. The people's currency of China has become the most stable currency, a situation seldom seen in the world.

However, the reactionary classes always see problems by taking a stand hostile to the people. Liu Shao-ch'i and his pawn Sun Yeh-fang were those most hostile to the stability of commodity prices in China. Liu Shao-ch'i time and again advocated the reactionary fallacy of "deficit budgeting and currency inflation." He ceaselessly clamored: "More currency notes can be issued in order to increase our income." "There is also merit in inflation." "The greater the inflation, the greater the affluence of the people." Especially at a time China was ravaged by serious natural calamities in 1963, he vainly attempted to "raise commodity prices by 50 percent." To cope with the need of his master, Sun Yeh-fang also fabricated counter-revolutionary public opinion saying: "If planned prices are set once for ever with no regard for whether or not they are in correspondence with value, then in the long run, the system is inferior to the free economy."

Sun Yeh-fang thus bared that the true aim of Liu Shao-ch'i and company in peddling these contrabands was to develop the free economy, that is, the capitalist economy. If these plots advocated by Liu Shao-ch'i and Sun Yeh-fang had their way, they would seriously undermine the planned economy of socialism, disintegrate the ownership of means of production by the whole people, undermine the worker-peasant alliance and the system of collective ownership by people's communes and push the broad masses of laboring people once again back to the abyss of despair of twenty years ago when under the reactionary rule of the Kuomintang, prices soared and life for the people was intolerable. At the same time, they would create the right temperature for the rabid activities of the reactionary capitalists and the newborn bourgeois elements, thus opening the sluice-gate for restoring capitalism.

What evil fruit would be borne in the economic sphere by the contraband of free economy advocated by Liu Shao-ch'i and Sun Yeh-fang? Imperialism and social-imperialism offer the mirror.

Because imperialism headed by the United States makes every effort to carry out the policy of armaments expansion and war preparations and to engineer wars of aggression everywhere, the political crisis and the economic crisis have become daily more acute at home. For a long time, the common disease has been currency inflation, rise in commodity prices and fall in currency value. Over the past two years, the Western world has all along been troubled by the gravest and most profound financial crisis. With the gold reserve dropping continuously, with the currencies devalued again and again and with commodity prices rocketing sky-high, production is at a standstill, the number of unemployed workers has greatly increased, and the people are leading a most miserable life.

Taking for example the US dollar that swaggered like a conquering hero and was supreme for a time, its actual purchasing power has declined by more than 60 percent in the past twenty years. After Nixon came to power, things went from bad to worse, and commodity prices in the United States rose by 4.7 percent in 1968 and 6.1 percent in 1969. This has fully exposed that the true identity of the US gold dollar is nothing more than a paper tiger.

The British sterling pound of old-time British imperialism is in a poorer shape. Since the Second World War, it has been devalued by a big margin on two occasions. At present, the purchasing power of the British pound has shrunk by more than one-third compared with the early 1950's.

The situation of the French franc is also quite bad, and in the short period of 25 years after the war, it has been officially devalued as many as five times.

Next, let us see how does social-imperialism fare! Because the leadership clique of social-imperialism takes the perverse action of restoring capitalism, gangs up with US imperialism in the international arena and carries out the policy of expansion and aggression, production, flow of trade, finance and public finance have been thrown into confusion at home. The sabotage of production leads to shortage of goods. Nothing can be bought in the state-owned stores, and at the kolkhoz fairs and in underground black markets, the speculators force up the prices of commodities at will. An egg is sold at several roubles. The buying rate of the rouble has greatly declined. Since 1966, the State Price Committee of social-imperialism has at different times issued new price lists for the textile, knitwear, leather shoe, food and heavy industries, thus greatly raising the wholesale prices of many industrial products. On July 1, 1967 alone, it announced a rise of 78 percent in the price of coal and from 20 to 22 percent in the price of electric power for industrial use. With the living standard of the broad masses of laboring people declining every day, the untold misery has aroused even stronger discontent and resistance among them.

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All contrabands including "the law of value dominates everything" advocated by Sun Yeh-fang were in the service of Liu Shao-ch'i's counter-revolutionary revisionist line and his restoring capitalism. The great proletarian cultural revolution has forever cast this despicable "economist" and filthy political broker into the dustbin of history along with his master Liu Shao-ch'i. However, their decomposed corpses still diffuse continuously a poisonous stink to contaminate our air and poison the broad masses of the people. A handful of class enemies still exist physically and they are not reconciled to their doom. They still hide in dark corners to peddle their contrabands.

The class struggle is still very acute in the economic sphere. In all sectors of the national economy and especially on the finance and trade front, a handful of class enemies are adopting various despicable and bare-faced means of sabotage and corruption frenziedly to attack us and undermine the foundation of the socialist economy. Some of them devise all ways and means to conquer with sugar-coated bullets the feeble-minded ones within our revolutionary ranks and they make every effort to propagate the work style of the bourgeois young lords by putting on airs of extravagance for show. Some deliberately create waste and squander state funds at will so that they may reap some profit and fish in troubled waters.

Consequently, we must hold higher the great red banner of Mao Tsetung thought, and with the thoroughgoing revolutionary spirit of hitting the dogs in the water, sternly criticize the contrabands spread by Liu Shao-ch'i and his pawn Sun Yeh-fang on the economic front. We must thoroughly wipe out their pernicious influence, energetically carry out the class struggle in the economic sphere, firmly hit the subversive activities of the class enemies and fight for further consolidating the proletarian dictatorship and consolidating and developing the socialist system of ownership.

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Energetically Grasp the Class Struggle, Beat Capitalism

by
the Revolutionary Committee of Hsip'u Brigade, Tsunhua hsien, Hopei Province

(Peking Jen-min Jih-pao March 17, 1970)

The great leader Chairman Mao teaches us: "Socialist society covers a fairly long historical period. In the historical period of socialism, there are still classes, class contradictions and class struggle, there is the struggle between the socialist road and the capitalist road, and there is the danger of capitalist restoration. We must recognize the protracted and complex nature of this struggle. We must heighten our vigilance." This wise instruction of Chairman Mao's has clearly indicated to us the orientation of the continuation of the revolution under the dictatorship of the proletariat, the fundamental way of building socialism and guarding against capitalist restoration. As taught by Chairman Mao, we certainly must never forget the class struggle, never forget the proletarian dictatorship.

Parroting his master, Sun Yeh-fang, the agent of renegade, hidden traitor and scab Liu Shao-ch'i in economic circles, vociferously disseminated the "theory of the dying out of class struggle." He talked nonsense saying that the contradiction between "human beings" and "things" "is the most far-reaching inner contradiction of the socialist economy. He grouped people of different classes--irrespective of whether they were capitalists or workers, landlords and rich peasants or poor and lower-middle peasants--under the abstract category of "human beings." There was neither class distinction nor class struggle, and there was left only the difference between "human beings" and "things," the contradiction between "human beings" and "things." Sun Yeh-fang employed what he called the contradiction between "human beings" and "things" to obliterate the class struggle in socialist society and frenziedly oppose Chairman Mao's theory concerning class, class contradictions and class struggle in socialist society.

To develop socialist production, it is of course necessary to handle the relationship between "human beings" and "things," in other words, the relationship between mankind and nature. However, the principal contradiction of the socialist economy is not any contradiction between "human beings" and "things" but is the class contradiction and the class struggle between the proletariat and the bourgeoisie. The proletariat wants to consolidate and develop the socialist economy, while the bourgeoisie endeavors to bring about the "peaceful evolution" of the socialist economy into the capitalist economy. Only by tightly grasping this key link of the struggle between the two classes, the two roads can we smash the plot of the class enemies to restore capitalism and insure the uninterrupted development of the socialist economy.

This history of our Hsip'u Brigade since the cooperation movement has been one of the struggle between the two classes, the two roads, the two lines. During the cooperation movement, Comrade Wang Kuo-fan, together

with the poor and lower-middle peasants, formed the "paupers' cooperative" in accordance with Chairman Mao's instruction "Get Organized." The new-born cooperative was confronted by two problems, one being that the 23 poor-peasant families owned only three donkeys, and the other, the class enemies schemed to bring about the downfall of the cooperative with all ways and means. Should production or the class struggle be grasped first? We first grasped the class struggle, exposed the plot of the class enemies to undermine the cooperative, and strengthened our determination to take the socialist road. The 23 families of "paupers" shared the same thought and employed their strength in the same place. Relying on organized strength, they beat the class enemies and overcome difficulties in production. A bumper harvest was reaped in the first year of cooperation, thus consolidating the cooperative and smashing the plot of the class enemies to undermine the cooperative.

Following this, we stemmed the adverse current whipped up by Liu Shao-ch'i to cut down the cooperatives on a large scale, and criticized and repudiated the fallacy that "the small cooperatives are at a disadvantage when merged into a big cooperative." The cooperative expanded from 23 families to 83 and evolved from a lower-cooperative to a higher-cooperative. In sympathy with the consolidation and development of the cooperative, production also increased continuously. At the time of lower-cooperative, the per-mow yield of grain was equal to four times that before the cooperation movement, but at the time of higher-cooperative, this was equal to more than six times the pre-cooperation yield. The "pauper" spirit of the poor and lower-middle peasants of our Hsip'u Brigade is the firm determination to take the socialist road, the spirit of waging an unrelenting struggle against a handful of class enemies, the spirit of "self-reliance," of "hard struggle" and of firmly adhering to Chairman Mao's revolutionary line. The great leader Chairman Mao praised such "pauper" spirit as the "image of our whole country."

After the switch-over to people's communes, the class struggle remained acute and complex. Especially from 1960 through 1962, the Party branch and the broad masses of poor and lower-middle peasants of the Hsip'u Brigade stemmed the evil wind of "san-tzu i-pao" whipped up by Liu Shao-ch'i, and boycotted the work unit that came to the Hsip'u Brigade to conduct experiments in "releasing plots for private use" and "fixing output quotas down to the households." We brought into play the "pauper" spirit, overcame the natural disasters, smashed the attack of the class enemies, defended Chairman Mao's revolutionary line, firmly adhered to the socialist orientation, and consolidated and developed the socialist collective economy. After the switch-over to people's communes, the per-mow yield of grain rose further to eight times the pre-cooperation rate.

The history of the Hsip'u Brigade is one of the awe-inspiring scenes of the class struggle and the struggle between the two lines. The consolidation and development of the socialist collective economy of the Hsip'u Brigade is entirely not due to our having grasped the contradiction between "human beings" and "things" as Sun Yeh-fang claimed, but is due to our having grasped the class struggle in accordance with Chairman Mao's teachings.

The vital part of the "theory of the dying out of class struggle" advocated by counterrevolutionary revisionist Sun Yeh-fang lies in its opposition to the dictatorship of the proletariat. According to Sun Yeh-fang, the contradiction between "human beings" and "things" "is how to obtain more produce with less labor." So long as "more produce is obtained with less labor," it is possible to solve "the question of which will win out in the struggle between socialism and capitalism." By talking all the time about "things" and "produce," Sun Yeh-fang actually did not want proletarian dictatorship.

The fundamental question of the revolution is one of political power. We poor and lower-middle peasants deeply understand that the socialist economy is the economic base of the proletarian dictatorship while the proletarian dictatorship fundamentally guarantees the establishment and development of the socialist economy. Without the proletarian dictatorship, there is no socialist economy and it is also not possible to beat capitalism. Any talk about "which will win out," socialism or capitalism, in departure from the proletarian dictatorship is sheer deceitful talk.

In the old society, the poor and lower-middle peasants of the Hsip'u Brigade had suffered enough from having no political power. Of the 154 families in the Hsip'u village, 137 families led the miserable life of "feeding on vegetables in the morning, on bran at noon and on porridge under the moon in the evening" round the year. Among them, 73 families worked for the landlords, four families fled to other places because of famine, and 34 families had to beg as a living for a time. Why were we so miserable in the old society? Because political power was in the hands of the landlords and the Kuomintang reactionaries. It was Chairman Mao who led us to free ourselves from the feudal yoke and win liberation, and it was also Chairman Mao who guided us to take the royal road of socialist collectivization. The Hsip'u Brigade which was a poverty-stricken valley has now been turned into a granary. Why is it that we are able to bring about these earth-shaking changes? Because we have the strong and powerful proletarian dictatorship.

For more than ten years in the past, the class struggle of the Hsip'u Brigade was also carried out around political power. During the great proletarian cultural revolution, the struggle for seizure of power and counter-seizure of power grew more acute and violent. An incorrigible capitalist roader ganged up with the landlord, rich-peasant, counterrevolutionary and bad elements who had not been satisfactorily reformed, and they vainly attempted to carry out the counterrevolutionary seizure of power. The poor and lower-middle peasants of the Hsip'u Brigade stood forth to expose the counterrevolutionary plot of this handful of class enemies. Given the energetic support of the PLA Mao Tsetung thought propaganda team, they dragged this capitalist roader out, thus further consolidating the proletarian dictatorship.

Sun Yeh-fang said that provided "more produce can be obtained with less labor," capitalism could be beaten. This is an out-and-out counterrevolutionary "theory" against the proletarian dictatorship.

We must fiercely criticize the "theory of the dying out of class struggle" spread by Sun Yeh-fang, energetically grasp the class struggle without changing direction, consolidate the political power of the proletariat without loosening our grip, "grasp the revolution, promote production and other work and promote preparedness against war," and win new victory in agricultural production.

* * *

"Learning from Capitalists" Means Capitulation to Capitalists

by
the Revolutionary Mass Criticism Group of
Peking Suburban Timber Works

(Peking Jen-min Jih-pao March 17, 1970)

Counterrevolutionary Sun Yeh-fang, agent of renegade, hidden traitor and scab Liu Shao-ch'i in economic circles, talked nonsense saying that the working class "has never served as the boss before" and "has not enough experience," that "the capitalists are very wise" and that "we should learn from the capitalists."

By expressing unreserved admiration for and glorifying to the utmost the capitalist celebrities, Sun Yeh-fang has bared himself as a simon-pure trumpeter of capitalism and an out-and-out stooge of the bourgeoisie.

Back in 1948 Liu Shao-ch'i talked nonsense saying: "Some factories have several decades of history and three, four or five generations of elders." "Don't slight their various systems; they have gained plenty of experience in all fields." "We should learn from them and regard them as teachers." Actually, the revisionist contrabands peddled by Sun Yeh-fang are nothing more than shopworn toys picked from Liu's store.

The great leader Chairman Mao points out: "All revolutionary struggles in the world are aimed at seizing political power and consolidating it. The desperate struggles waged by counterrevolutionaries against revolutionary forces are likewise solely for the sake of maintaining their political power." The reactionary fallacy of "learning from the capitalists" advocated by Sun Yeh-fang is a soft knife for obliterating the class struggle, benumbing the fighting will of the workers and usurping the political power of the proletariat.

Flaunting the tattered banner of "learning from the capitalists," a capitalist roader in our plant transferred more than 30 capitalists to serve as cadres in offices and workshops, and some of them were given important posts such as deputy superintendent, section chiefs and workshop directors. This capitalist roader cried himself hoarse saying: "We must not discriminate against the capitalists, and when they are given an office, they must be given power." He also brazenfacedly and openly called on Party and CYL members "to learn from the capitalists."

Under this smokescreen, some capitalists were appraised as "advanced producers" and "red standard bearers." Some capitalists served as cultural teachers to feed the workers with the poisonous stuff of feudalism, capitalism and revisionism. Some capitalists devised all ways and means to corrupt and win over the cadres. Some capitalists denounced at will the

workers they regarded as an "eyesore," and they subjected the mass movement for technical reform to control, strangulation, suppression and punishment. A socialist enterprise was thus almost turned into a capitalist enterprise through "peaceful evolution." What a terrifying scene!

The working class truly "has never served as the boss." It basically has no experience as the boss, not just "inadequate." In what respect are the capitalists "wise"? Isn't it that they are strong only in reaping profits at the expense of others, in speculation and profiteering, in corruption and in profit-grabbing? Isn't this the means for them to suck the blood of the working class through ruthless exploitation? Does "learning from the capitalists" mean learning their exploitation? Such wares of the capitalists are precisely the things that we of the working class have taken more than twenty years of persistent and bitter struggle to smash under the leadership of Chairman Mao and the Communist Party. Could it be said that we should worship once again the things that we have smashed ourselves?

"Learning from the capitalists" means capitulation to the capitalists, permitting the capitalists to apply the butcher knife once again on the neck of our working class, allowing the capitalists to ride roughshod once again on the backs of the laboring people, and turning us once again into draft animals.

"The lowly are most intelligent; the elite are most ignorant." Today, we workers who "have never served as the boss before" have become the masters of the country and the enterprises. We rely on invincible Mao Tsetung thought and our own pair of working hands to create miracles in the world.

In the past year, with the warm assistance of the PLA Mao Tsetung thought propaganda team, the masses of workers in our plant conscientiously carried out to the letter Chairman Mao's great guideline, "Be prepared against war, be prepared against natural disasters and do everything for the people," and won great successes in the great struggle for "grasping the revolution, promoting production and other work and promoting preparedness against war."

In 1969, they fulfilled the production task of the whole year 75 days ahead of schedule and created the highest record since the founding of the plant. A "three-in-one combination" economic management group was formed with the workers as the main body in the whole plant, and "three-in-one combination" technical innovation groups were formed with the workers as the main body in all workshops. The technicians humbly learned from the veteran workers, and with the veteran workers, technicians and leading cadres united as one, 112 innovation projects were accomplished last year on the basis of self-reliance and hard struggle, thus greatly

impelling the development of production. This iron-clad fact was a whip that mercilessly lashed at Sun Yeh-fang and his like.

Let Liu Shao-ch'i and Sun Yeh-fang go to see devil with the bourgeois corpse. We of the working class shall forever advance in triumph along the navigation route of socialism charted by Chairman Mao!

* * *

Smash the Attack Launched by Sun Yeh-fang Against Socialist Planned Economy

by

Ku Shao-k'ang (顾绍康) and Yin Chien-ming (尹键铭)
of Peking Thermoelectric Plant

(Peking Jen-min Jih-pao March 17, 1970)

Counterrevolutionary Sun Yeh-fang maliciously vilified China's economic system as dominated by the "theory of natural economy," "not having broken out from the confines of natural economy," and "fettering the enterprises hand and foot and restricting the initiative of the enterprises." The "theory of natural economy" cursed by Sun Yeh-fang is the planned economy of socialism, and by opposing the "theory of natural economy," he was opposed to the centralized, unified controlled economy of the state under the dictatorship of the proletariat. Flaunting the black banner of opposing the "theory of natural economy," Sun Yeh-fang vainly attempted to disintegrate the economic base of socialism by way of undermining the centralized, unified plan, thus baring himself as the sworn enemy of the proletarian dictatorship.

The socialist system is a unified whole formed with the whole national economy based on the system of public ownership of means of production. Only planned economy can insure the development of the national economy at a high speed, consolidate the proletarian dictatorship and the economic base of socialism, and basically overcome capitalist free competition and anarchy in production.

The great leader Chairman Mao teaches us: "Although mankind has evolved several hundred thousands of years, yet the condition for China to develop its own economy and culture according to plans has not been obtained until now. With this condition available, the look of China will change year after year." After the founding of the People's Republic of China, the system of public ownership of means of production has gradually been realized under the wise leadership of Chairman Mao, and great results have been obtained in the planned and proportionate development of the national economy.

We certainly must bear in mind Chairman Mao's teaching: "There cannot be a high degree of centralism without a high degree of democracy, and without a high degree of centralism, it is not possible to establish the socialist economy." Our socialist enterprises are in the service of the fundamental interests of the working class and the masses of laboring people. The state of proletarian dictatorship led by the Party is the representative of the fundamental interests of the working class and the masses of laboring people. Each enterprise must submit to the centralized, unified plan of the state and is absolutely not allowed to go its own way and to adopt the anarchic tendency.

Taking the generating of electric power for illustration, it is necessary to formulate a centralized, unified, over-all generating plan according to the need of industrial and agricultural production in the country. The various generating units must all arrange production according to this centralized, unified plan. Only in this way can the generating of electric power better meet the need of industrial and agricultural production. If the various power generating units disregarded the need of the power network and paid attention only to the interests of their own enterprises and units, then there would be confusion in the generating of electric power, and the fulfillment of the whole state plan would be hampered. If the various generating units operated sheerly for profit and competed with each other like those of the capitalist countries, then all proportional relationships would be upset, and the consequences would be as Lenin pointed out: "If the production and distribution of products were not governed by all-embracing state statistics and put under state supervision, then the political power and freedom of the laborers could not be maintained, and the restoration of capitalist oppression would be inevitable."

In the name of opposing the "theory of natural economy," Sun Yeh-fang desperately attacked the socialist planned economy with the intention of pulling the socialist economy onto the capitalist road. We will not hear of it! We certainly must topple and discredit by criticism Sun Yeh-fang's fallacy.

Today, in accordance with Chairman Mao's general line of "building socialism by going all out and aiming high to achieve greater, faster, better and more economical results" and his series of great policies--"be prepared against war, be prepared against natural disasters and do everything for the people," "independence and self-reliance," "take agriculture as the foundation and industry as the leading factor"--we have formulated the centralized, unified plan of the state, and every enterprise must energetically fulfill and overfulfill the state plan. The various targets laid down by the state represent the state plan in concrete form, and as a consequence, we must fulfill all the targets laid down by the state to achieve greater, faster, better and more economical results.

However, this point is inadequately understood by some people, and very often, after criticizing and repudiating "production first" and "target first," there has also emerged the tendency to get rid of the planned targets. Some individual comrades of our plant once thought that "adhering to targets means taking the old road." As a result of this, they inevitably fought a muddle-headed battle in production. They had not the whole situation in mind, nor could they cling to their posts, thus affecting the fulfillment of the state plan.

Later, we went further in criticizing and repudiating the counter-revolutionary revisionist fallacies of renegade, hidden traitor and scab Liu Shao-ch'i and Sun Yeh-fang, clearly drew a dividing line between "target first" and planned economy, between the simon-pure vocational viewpoint and the strengthening of scientific business management, strengthened the mass control of planned targets, and reaped a bumper harvest both in revolution and production.

This year, under the condition of the all-round fulfillment of the state plan and production target by the whole plant, the quantity of coal consumed in the generating of a power unit and the power generated for own use have dropped to the lowest level in history, thus saving coal and electric power for the state and giving powerful support to industrial and agricultural production. This striking fact is the most powerful form of criticism and repudiation against Sun Yeh-fang.

* * *

Appendix

Other Articles Attacking Sun Yeh-fang's Economic Theories

"Profit Principle" Is the Capitalist Principle--Critique of Counterrevolutionary Revisionist Sun Yeh-fang's "Investigation Report" in the Shanghai State No. 1 Cotton Mill" (Kuang-ming Jih-pao, January 23, 1970--SCMP 70-06 [4595], pp. 65-75)

What Is the Essential Purpose of Sun Yeh-fang's "Doctrine of Profit in Command"? (Kuang-ming Jih-pao, January 25, 1970--SCMP 70-06 [4596], pp. 107-111)

Criticism of Sun Yeh-fang's "Law of Value First" (Kuang-ming Jih-pao, January 25, 1970--SCMP 70-06 [4596], pp. 112-114)

What Was Sun Yeh-fang's Object of Trumpeting Forth "Production First"? (Kuang-ming Jih-pao, January 25, 1970--SCMP 70-06 [4596], pp. 115-117)

Class Struggle in the Field of Socialist Construction and Economics--Criticizing the Revisionist Economic Theory of Sun Yeh-fang. (Hung-ch'i, No. 2, January 30, 1970--SCMM 70-02 [674], pp. 65-80)

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